MAJOR REVENUE GENERATING TELECOMMUNICATION COMPANIES

(Washington State Operations)

	OPERATING REVENUE 1986 ($ million)	1985 ($ million)
Pacific Northwest Bell Telephone Company	978.9	1,014.7
General Telephone Company of the Northwest, Inc.	368.4	338.3
Telephone Utilities of Washington, Inc.	48.4	46.1
Continental Telephone Company of the Northwest, Inc.	46.9	43.8
United Telephone Company of the Northwest	40.5	40.7
Ellensburg Telephone Company	9.2	8.7
Total Major Companies	1,490.3	1,492.3
Total Washington State Revenue	1,523.5	1,523.4

Detailed summary Tables II through VI describe the financial statements at the total company and state level of operations. Individual companies tables are given in Appendix.

CAUTIONARY NOTE

As in any attempt to develop continuous and comparable time series data, one of the main problems is to ensure comparability of various data elements. Though comparability is certain at broad group levels, the individual data elements that are added due to changes in accounting systems pose a continuous problem for comparison over time. For instance, in the table, "Net Operating Income and Plant Statistics" access revenues and expenses first appear in 1984. Company mergers cause difficulties with comparability as well. For example, in 1984 Prescott Telephone Company merged with Inland Telephone Company. In order to ensure comparability over time, both companies' data are summed and presented for all years as Inland Telephone Company. Such problems are under continuous investigation and changes and improvements are incorporated as and when they become appropriate.

Readers are requested to send their suggestions and comments to the attention of Dr. S. Ananda Rao, Coordinator, Reports and Statistics, either in writing or by phone (206)753-3006.

SUMRY.WK1
AUGUST 4, 1987

TABLE I

TOTAL TELEPHONE UTILITIES -- WASHINGTON OPERATIONS ONLY
SOURCES AND DISTRIBUTION OF REVENUE AND EXPENDITURE

SOURCES OF REVENUE:	1979	1980	1981	1982	1983	1984	1985	1986
LOCAL SERVICE	$410,630,643	$467,034,290	$542,390,306	$620,050,879	$661,556,508	$577,565,789	$596,290,051	$575,317,474
ACCESS REVENUES	0	0	0	0	0	404,369,856	470,717,186	473,434,266
TOLL SERVICE	522,144,593	595,795,451	693,917,649	766,038,406	802,100,919	297,360,895	294,476,778	315,776,948
MISCELLANEOUS	66,589,642	79,619,605	89,028,279	103,407,817	120,074,427	180,480,190	171,644,694	170,404,752
UNCOLLECTIBLES -- DEBIT	6,923,763	9,839,239	12,919,702	16,325,879	17,665,619	7,875,068	9,712,312	11,454,727
TOTAL OPERATING REVENUES	$992,441,115	$1,132,610,107	$1,312,416,532	$1,473,171,223	$1,566,066,235	$1,451,901,662	$1,523,416,397	$1,523,478,713
DISTRIBUTION OF REVENUE BY SOURCES(%)								
LOCAL SERVICE	41.38	41.24	41.33	42.09	42.24	39.78	39.14	37.76
ACCESS REVENUES	0.00	0.00	0.00	0.00	0.00	27.85	30.90	31.08
TOLL SERVICE	52.61	52.60	52.87	52.00	51.22	20.48	19.33	20.73
MISCELLANEOUS	6.71	7.03	6.78	7.02	7.67	12.43	11.27	11.19
UNCOLLECTIBLES -- DEBIT	0.70	0.87	0.98	1.11	1.13	0.54	0.64	0.75
TOTAL DISTRIBUTION(%)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SOURCES OF EXPENDITURE:								
OPERATING EXPENSES	$506,682,159	$566,323,457	$662,326,447	$755,228,506	$771,973,874	$687,009,521	$705,435,436	$700,552,981
DEPRECIATION AND AMORTIZATION	146,646,958	168,687,271	187,111,600	218,876,443	267,599,426	249,991,122	264,270,312	307,752,447
TAXES	153,886,787	166,467,472	208,932,820	233,648,460	248,368,950	236,353,400	251,008,523	235,397,154
TOTAL EXPENDITURE	$807,215,904	$901,478,200	$1,058,370,867	$1,207,753,409	$1,287,942,250	$1,173,354,043	$1,220,714,271	$1,243,702,582
NET OPERATING INCOME	$185,225,209	$231,131,907	$254,045,666	$265,417,814	$278,123,985	$278,547,618	$302,702,127	$279,776,131
DISTRIBUTION OF REVENUE(%)								
OPERATING EXPENSES	51.05	50.00	50.47	51.27	49.29	47.32	46.31	45.98
DEPRECIATION AND AMORTIZATION	14.78	14.89	14.26	14.86	17.09	17.22	17.35	20.20
TAXES	15.51	14.70	15.92	15.86	15.86	16.28	16.48	15.45
NET OPERATING INCOME	18.66	20.41	19.36	18.02	17.76	19.19	19.87	18.36
TOTAL DISTRIBUTION(%)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

SOURCE: TABLE V

CHART I
TELEPHONE UTILITIES
State of Washington Operations
DISTRIBUTION OF
TOTAL OPERATING REVENUES

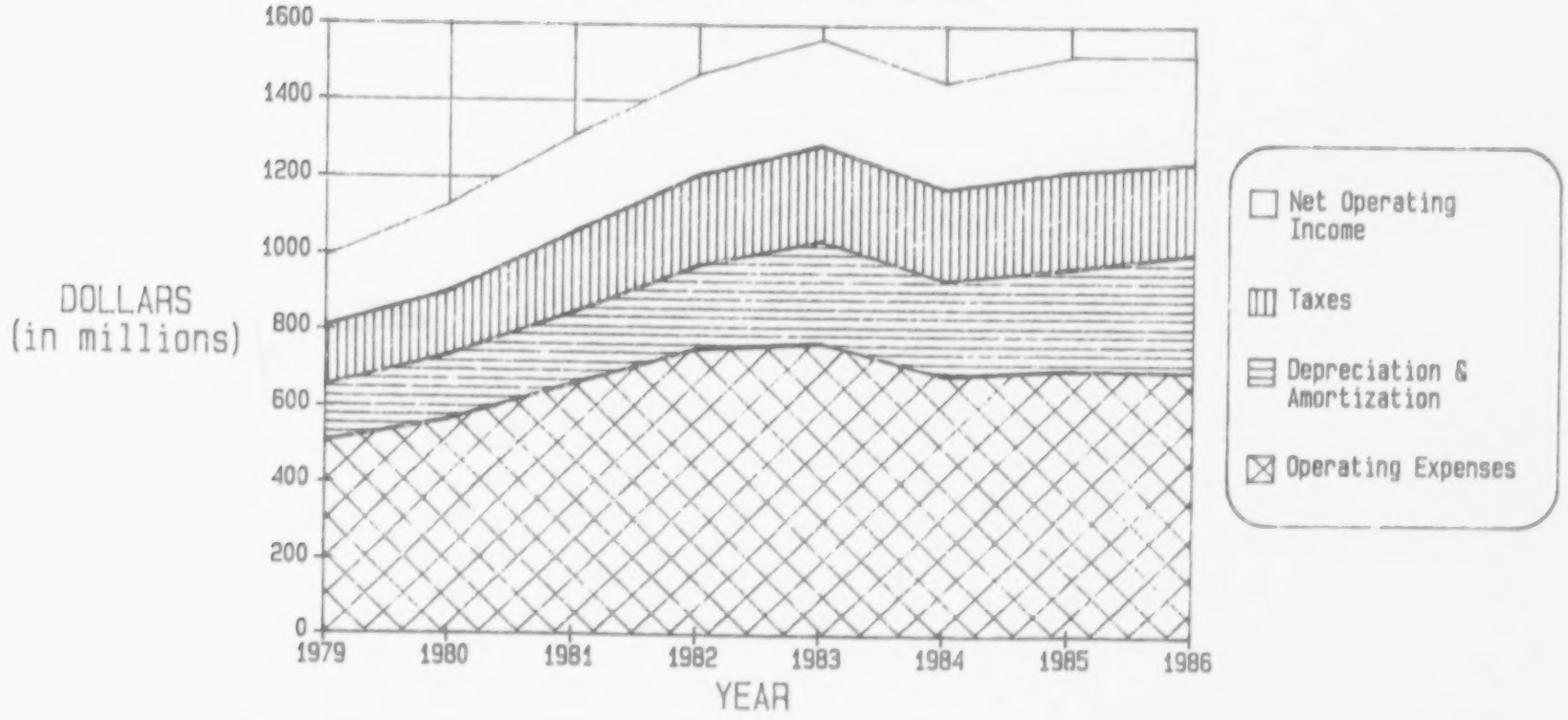

CHART II
TELEPHONE UTILITIES
State of Washington Operations
DISTRIBUTION OF
TOTAL OPERATING REVENUES

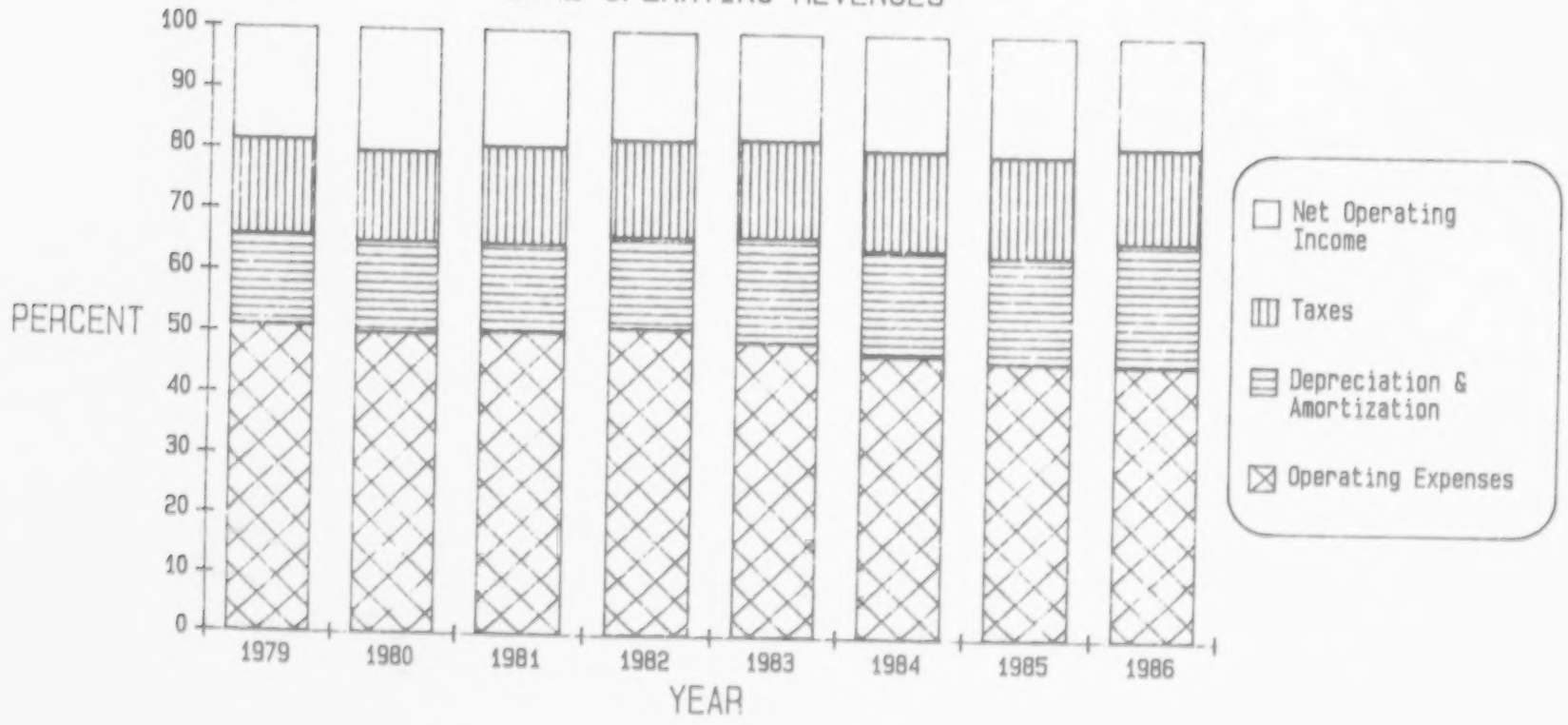

TABLE II

BLOCK 1: BALANCE SHEET -- ASSETS
AUGUST 4, 1987

TOTAL ALL COMPANIES -- TOTAL COMPANY BASIS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$4,550,555,150	$5,207,306,029	$5,735,080,209	$6,164,463,703	$6,438,402,696	$6,142,514,271	$6,539,489,810	$6,934,162,397
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	278,828,479	242,139,125	270,682,678	210,931,565	196,573,382	219,739,652	207,107,294	137,141,665
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	4,402,885	1,256,580	1,230,517	303,376	300,555	231,363	141,805	245,064
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	150,748	128,655	106,562	84,610	2,470	79,456	77,236	169,258
171	LESS: DEPRECIATION RESERVE	842,837,171	911,674,478	1,001,955,414	1,144,584,550	1,401,471,907	1,470,361,277	1,710,616,659	1,938,566,382
172	AMORTIZATION RESERVE	3,899	322	345	368	392	415	438	(883,425)
	TOTAL NET TELEPHONE PLANT	$3,991,096,192	$4,539,155,589	$5,005,144,207	$5,231,198,336	$5,233,806,804	$4,892,223,050	$5,036,199,048	$5,134,035,427
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$5,085,580	$5,270,719	$5,591,848	$6,039,886	$6,653,706	$9,930,738	$7,586,693	$7,549,583
101.2	ADVANCES TO AFFILIATED COMPANIES	500,045	500,045	500,000	500,000	839,122	72,793	219,663	183,465
102	OTHER INVESTMENTS	1,461,737	2,970,213	2,050,991	2,105,745	1,464,000	9,106,401	9,170,441	9,071,423
103	MISCELLANEOUS PHYSICAL PROPERTY	3,404,096	8,341,466	8,413,767	10,492,823	16,234,310	16,454,620	12,793,460	11,773,587
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	175,250	175,000	242,000	282,000	227,000	142,000	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	13,895,048	28,905,209
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	4,749	5,274	5,823	6,399	7,027	7,736	22,271	9,700
	TOTAL INVESTMENTS AND FUNDS	$10,631,457	$17,262,717	$16,804,429	$19,426,853	$25,425,165	$35,714,288	$43,687,576	$57,492,967
CURRENT ASSETS									
113	CASH	$578,019	$9,446,325	$7,076,816	$7,450,230	$6,734,066	$8,451,364	$17,027,593	$16,488,820
114	SPECIAL CASH DEPOSITS	215,715	228,572	219,968	407,514	1,222,225	299,950	626,431	1,036,568
115	WORKING FUNDS	1,104,578	1,250,880	1,032,195	962,400	744,741	449,325	685,721	479,866
116	TEMPORARY CASH INVESTMENTS	10,745,545	3,151,327	5,694,296	4,640,955	11,030,765	70,237,947	68,154,505	28,714,756
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	2,260,000	3,430,000	4,116,000	3,645,000	23,720,000	18,522,000	2,874,181	2,684,744
117.2	OTHER NOTES RECEIVABLE	32,294	180,670	80,168	150,400	142,892	434,442	264,321	42,294
118	DUE FROM CUSTOMERS AND AGENTS	185,785,932	213,314,139	262,769,205	266,418,622	298,063,114	276,712,378	306,482,842	271,348,848
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	3,500,840	3,500,828	7,322,957	4,474,132	19,673,216	14,660,666	16,105,660	19,966,230
120.2	OTHER ACCOUNTS RECEIVABLE	37,068,099	53,173,903	48,116,766	25,610,322	35,867,908	131,199,837	123,306,371	124,330,436
121	INTEREST AND DIVIDENDS RECEIVABLE	3,759	15,877	39,527	29,903	54,758	692,966	380,163	130,479
122	MATERIAL AND SUPPLIES	57,294,114	60,219,853	46,841,231	46,828,951	50,232,414	48,419,790	49,750,555	43,910,347
123	OTHER CURRENT ASSETS	647,401	1,375,239	927,408	1,135,763	1,579,738	5,363,033	611,300	1,026,941
	TOTAL CURRENT ASSETS	$299,236,296	$349,287,613	$384,236,537	$361,754,192	$449,085,837	$575,443,698	$586,269,642	$510,160,329
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$1,036,349	$369,941	$1,436,506	$1,822,712	$1,217,443	$1,063,715	$989,393	$1,107,598
130	PREPAID TAXES	500,127	493,776	266,262	250,357	556,317	352,040	182,970	410,430
131	PREPAID INSURANCE	387,471	441,177	452,033	387,918	439,298	1,228,811	1,484,565	1,473,613
132	PREPAID DIRECTORY EXPENSESS	23,569,608	27,301,077	31,526,319	33,456,611	36,924,437	360,284	317,486	426,026
133	OTHER PREPAYMENTS	1,666,329	2,519,217	1,678,066	1,307,604	950,737	1,178,842	539,334	780,084
135	DISCOUNT ON LONG-TERM DEBT	10,110,679	13,853,788	13,351,151	12,841,806	12,281,637	11,723,267	11,226,577	56,492,615
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	7,200	6,000	4,800	10,190	5,093	66,564	32,682	8,126
139	OTHER DEFERRED CHARGES	16,892,565	15,601,400	11,074,683	11,850,444	13,020,543	12,415,329	16,008,365	30,119,726
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$54,170,328	$60,586,376	$59,789,820	$62,127,642	$65,395,505	$28,388,852	$30,781,373	$90,818,218
	TOTAL ASSETS AND OTHER DEBITS	$4,355,134,272	$4,966,292,294	$5,465,974,994	$5,674,507,023	$5,773,713,311	$5,531,769,888	$5,696,937,639	$5,792,506,941

TABLE III

BLOCK 2: BALANCE SHEET -- LIABILITIES TOT2
AUGUST 4, 1987

TOTAL ALL COMPANIES -- TOTAL COMPANY OPERATIONS
BALANCE SHEET -- LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$1,008,028,555	$1,186,038,641	$1,634,307,681	$1,638,554,205	$1,630,513,066	$1,414,173,441	$1,416,662,499	$1,402,010,964
152	PREMIUM ON CAPITAL STOCK	145,123,045	$13,959,000	$14,677,841	$15,074,101	$15,604,329	$16,154,306	$16,684,250	17,894,394
179	OTHER CAPITAL	12,833,843	$12,975,178	$15,747,746	$16,747,746	$19,595,500	$20,125,537	$20,219,276	20,218,974
180	RETAINED EARNINGS RESERVED	13,721,198	$20,630,844	$20,630,844	$20,630,843	$20,630,844	$20,630,843	$20,630,844	20,509,691
181	UNAPPROPRIATED RETAINED EARNINGS	567,973,014	$640,308,971	$712,394,554	$767,180,784	$801,304,102	$702,982,876	$731,159,540	738,262,294
134.1	LESS DISCOUNT ON CAPITAL STOCK	5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	5,000
134.2	LESS CAPITAL STOCK EXPENSE	88,476	$88,476	$88,476	$88,476	$88,476	$87,226	$87,934	87,226
	TOTAL NET STOCKHOLDERS' EQUITY	$1,747,586,179	$1,873,819,158	$2,397,665,190	$2,458,094,203	$2,487,554,365	$2,173,974,777	$2,205,263,475	$2,198,804,091
LONG-TERM DEBT									
151.1	FUNDED DEBT	$1,442,798,346	$1,691,805,212	$1,668,469,693	$1,662,312,784	$1,652,777,694	$1,612,671,631	$1,608,551,103	$1,612,813,285
156	ADVANCES FROM AFFILIATED COMPANIES	29,000,000	200,052,000	12,500,000	8,500,000	0	0	0	0
157	OTHER LONG-TERM DEBT	3,025,800	5,025,000	9,937,785	9,571,883	4,198,581	9,529,030	6,953,229	5,124,647
	TOTAL LONG-TERM DEBT	$1,474,824,146	$1,896,882,212	$1,690,907,478	$1,680,384,667	$1,656,976,275	$1,622,200,661	$1,615,504,332	$1,617,937,932
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$3,000,000	$3,700,000	$2,145,000	$3,000,000	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	216,740,847	128,065,900	101,465,657	124,352,750	10,579,356	5,607,079	39,572,750	39,072,750
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	66,021,325	59,356,083	65,922,219	58,082,328	65,425,743	38,374,034	27,623,264	33,108,227
159.2	OTHER ACCOUNTS PAYABLE	129,652,142	147,340,385	158,524,167	125,491,256	214,977,676	354,115,386	367,428,137	322,737,758
160	CUSTOMERS' DEPOSITS	7,109,446	10,137,922	12,178,648	11,864,053	12,888,161	13,325,610	12,102,871	11,329,572
162	MATURED INTEREST AND DIVIDENDS	2,579,121	2,378,960	44,290	36,828	54,805	49,965	33,177	23,772
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	6,665,000	0
164	ADVANCE BILLING AND PAYMENTS	31,201,740	35,521,059	44,662,126	49,304,199	46,661,340	38,595,119	41,243,432	46,104,747
165	OTHER CURRENT LIABILITIES	6,847,650	9,432,530	11,259,103	13,507,699	16,292,015	30,904,315	33,942,533	25,556,035
166	TAXES ACCRUED	52,533,125	35,012,443	66,367,383	74,806,851	85,153,717	82,761,717	78,125,866	111,543,425
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	39,776,696	49,814,250	53,685,420	54,510,946	56,509,182	59,293,206	61,361,789	59,670,808
	TOTAL CURRENT AND ACCRUED LIABILITIES	$555,462,090	$480,759,533	$516,254,012	$514,956,910	$508,541,995	$623,026,431	$668,098,819	$649,147,094
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$1,004,637	$961,684	$918,730	$875,776	$832,822	$789,868	$746,914	$703,960
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	5,754,640	6,305,497	6,420,421	12,731,851	14,231,516	16,006,496	13,337,695	24,587,673
174	OTHER DEFERRED CREDITS	215,544,901	274,630,656	318,896,407	350,763,293	357,073,516	348,059,443	353,699,507	358,738,683
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	346,501,038	423,021,157	527,464,185	646,009,033	740,492,179	742,551,802	834,791,187	905,526,469
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	8,456,635	9,912,392	7,448,577	10,691,290	8,010,643	5,160,410	5,495,711	37,061,041
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$577,261,852	$714,831,385	$861,148,320	$1,021,071,243	$1,120,640,676	$1,112,568,019	$1,208,071,013	$1,326,617,826
	TOTAL LIABILITIES AND OTHER CREDITS	$4,355,134,267	$4,966,292,288	$5,465,975,000	$5,674,507,023	$5,773,713,311	$5,531,769,888	$5,696,937,639	$5,792,506,943

APPENDIX

Individual Company Tables on Annual Statistics

Block 1: Balance Sheet--Assets and Other Debits
Block 2: Balance Sheet--Liabilities and Other Credits
Block 3: Income and Retained Earnings
Block 4: Net Operating Income and Plant Statistics

Table Numbers For				Company	
Block 1	Block 2	Block 3	Block 4	Code:	Name
1.1	1.2	1.3	1.4	01	Asotin Telephone
2.1	2.2	2.3	2.4	02	Cascade Autovon
3.1	3.2	3.3	3.4	03	Continental Telephone
4.1	4.2	4.3	4.4	04	Cowiche Telephone
5.1	5.2	5.3	5.4	05	Ellensburg Telephone
6.1	6.2	6.3	6.4	06	G.T.E.
7.1	7.2	7.3	7.4	07	Hat Island Telephone
8.1	8.2	8.3	8.4	08	Hood Canal Telephone
9.1	9.2	9.3	9.4	09	Inland (Include Prescott)
10.1	10.2	10.3	10.4	10	Inter-Island Telephone
11.1	11.2	11.3	11.4	11	Kalama Telephone
12.1	12.2	12.3	12.4	12	Lewis River Telephone
13.1	13.2	13.3	13.4	13	Mashell Telephone
14.1	14.2	14.3	14.4	14	McDaniel Telephone
15.1	15.2	15.3	15.4	15	P.N.B.
16.1	16.2	16.3	16.4	16	Peninsula Telephone
17.1	17.2	17.3	17.4	17	Pioneer Telephone
----	----	----	----	18	Prescott Telephone (Merged with Inland)
19.1	19.2	19.3	19.4	19	St. John Coop Telephone
20.1	20.2	20.3	20.4	20	Telephone Utilities, Inc.
21.1	21.2	21.3	21.4	21	Tenino Telephone
22.1	22.2	22.3	22.4	22	Toledo Telephone
23.1	23.2	23.3	23.4	23	United Telephone
24.1	24.2	24.3	24.4	24	Western Wahkiakum Telephone
25.1	25.2	25.3	25.4	25	Whidbey Telephone
26.1	26.2	26.3	26.4	26	Yelm Telephone
Total Company Basis--Block 4 Only					
----	----	----	27.4	27	Asotin Telephone--Total Company
----	----	----	28.4	28	Continental Telephone--Total Company
----	----	----	29.4	29	G.T.E.--Total Company
----	----	----	30.4	30	Inland (Including Prescott)--Total Company
----	----	----	31.4	31	P.N.B.--Total Company
----	----	----	32.4	32	United Telephone--Total Company

TABLE IV

BLOCK 3: NET INCOME AND RETAINED EARNINGS TOT3
AUGUST 4, 1987

TOTAL ALL COMPANY -- COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

	1979	1980	1981	1982	1983	1984	1985	1986
NET INCOME								
NET OPERATING INCOME -WASHINGTON	$185,225,208	$231,131,911	$254,045,665	$265,417,812	$278,123,985	$278,547,618	$302,702,125	$279,776,134
-OTHER STATES	132,800,006	156,734,930	175,394,663	174,735,377	196,675,205	176,422,522	175,823,528	176,121,733
TOTAL NET OPERATING INCOME	$318,025,214	$387,866,841	$429,440,328	$440,153,189	$474,799,190	$454,970,140	$478,525,654	$455,897,867
INTEREST CHARGED TO CONSTRUCTION	5,992,459	5,444,953	7,523,347	13,343,998	14,354,525	14,792,451	11,927,180	10,883,557
OTHER INCOME	1,867,708	4,077,485	7,832,709	5,690,054	7,565,405	8,397,756	6,104,005	1,318,339
MISCELLANEOUS DEDUCTIONS FROM INCOME	1,620,743	3,204,514	5,566,113	4,094,181	8,245,381	7,184,727	5,831,358	3,825,810
INTEREST ON FUNDED DEBT	95,143,609	132,914,377	146,604,540	144,067,438	142,680,285	139,648,593	138,095,141	136,218,938
OTHER FIXED CHARGES	28,773,317	39,828,450	23,799,507	20,165,352	10,213,956	7,660,558	4,719,430	7,962,989
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	12,552,341	963,866	506,563	581,253	(9,602,180)	231,949	404,062	866,295
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	5,902,214	365,999	184,916	269,133	(1,637,433)	(2,857,611)	599,610	103,413
NET INCOME	$206,041,161	$220,878,451	$268,106,735	$290,556,538	$326,596,970	$325,377,627	$347,715,361	$320,854,908
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$498,907,233	$567,973,015	$640,130,743	$712,394,552	$766,099,812	$676,704,816	$702,982,876	$731,279,574
CREDITS: NET INCOME(AS ABOVE)	$207,106,699	$222,039,806	$269,147,872	$291,172,391	$327,614,752	$326,790,535	$347,715,361	320,988,504
OTHER CREDITS	20,854	101,661	639,143	66,877	356,631	10,237,004	98,937	74,383
TOTAL CREDITS	$207,018,695	$222,141,466	$269,787,015	$291,239,268	$327,971,383	$337,027,539	$347,814,299	$321,062,887
DEBITS: DIVIDEND APPROPRIATIONS	$137,478,618	$142,637,393	$197,377,160	$236,439,226	$292,765,421	$309,811,480	$319,564,850	$313,238,413
OTHER DEBITS	474,294	7,168,119	146,044	13,415	1,273	937,998	72,785	842,579
TOTAL DEBITS	$137,952,912	$149,805,512	$197,523,204	$236,452,641	$292,766,694	$310,749,478	$319,637,635	$314,080,992
BALANCE AT END OF YEAR	$567,973,016	$640,308,969	$712,394,554	$767,181,180	$801,304,105	$702,982,877	$731,159,540	$738,261,469

TABLE V

BLOCK 4: NET OPER.INCOME AND PLANT STATS.
AUGUST 6, 1987

TOTAL STATE OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$410,630,643	$467,034,290	$542,390,306	$620,050,879	$661,556,508	$577,565,789	$596,290,051	$575,317,474
ACCESS REVENUES	0	0	0	0	0	404,369,856	470,717,186	473,434,266
TOLL SERVICE	522,144,593	595,795,451	693,917,649	766,038,406	802,100,919	297,360,895	294,476,778	315,776,948
MISCELLANEOUS	66,589,642	79,619,605	89,028,279	103,407,817	120,074,427	180,480,190	171,644,694	170,404,752
UNCOLLECTIBLES - DEBIT	6,923,763	9,839,239	12,919,702	16,325,879	17,665,619	7,875,068	9,712,312	11,454,727
TOTAL OPERATING REVENUES	$992,441,114	$1,132,610,106	$1,312,416,532	$1,473,171,223	$1,566,066,235	$1,451,901,662	$1,523,416,397	$1,523,478,713
OPERATING REVENUE EXPENSES								
MAINTENANCE	$209,174,700	$224,383,264	$267,693,062	$315,168,087	$324,412,421	$264,613,508	$254,797,156	$255,362,785
DEPRECIATION AND AMORTIZATION	146,646,958	168,687,271	187,111,600	218,876,443	267,599,426	249,991,122	264,270,312	307,752,447
TRAFFIC	49,842,313	52,203,530	57,637,476	59,417,637	58,602,383	44,029,767	48,239,121	44,792,461
COMMERCIAL	93,837,164	108,603,676	127,161,056	142,380,482	139,551,169	123,901,275	123,965,872	125,318,322
ACCESS EXPENSES	0	0	0	0	0	0	265,265	2,526,878
GENERAL OFFICE	64,469,009	77,796,907	91,599,564	101,403,623	116,464,645	122,535,686	131,842,412	137,356,636
OTHER OPERATING EXPENSES	89,358,973	103,336,080	118,235,289	136,858,677	132,943,256	131,929,285	146,325,612	135,195,899
TOTAL OPERATING REVENUE EXPENSES	$653,329,117	$735,010,728	$849,438,047	$974,104,949	$1,039,573,300	$937,000,643	$969,705,749	$1,008,305,428
INVESTMENT CREDIT - NET	$31,301,151	$39,974,678	$34,015,105	$23,002,082	$7,352,036	$4,789,184	$14,043,185	$2,354,944
FEDERAL INCOME TAXES	(7,411,157)	(10,581,670)	2,499,337	11,158,181	60,606,204	69,776,092	60,550,732	41,318,598
OTHER OPERATING TAXES	89,398,338	91,688,611	112,789,475	123,193,935	119,731,174	103,605,400	105,643,991	113,074,975
OPERATING FED.INCOME TAX DEFER - ACC.DEP	41,449,080	47,574,860	67,751,906	77,815,213	72,315,795	75,542,567	92,150,439	79,600,500
OPER.FED. INCOME TAX DEFER - OTHER	4,225,406	4,863,869	3,460,400	12,157,879	9,154,164	7,217,524	7,777,819	29,778,323
INC. CREDITS FROM PRIOR FED. TAXES	5,076,031	7,052,876	11,583,403	13,678,830	20,790,423	24,577,367	29,157,644	(30,730,186)
TOTAL OPERATING TAXES	$153,886,787	$166,467,472	$208,932,820	$233,648,460	$248,368,950	$236,353,400	$251,008,523	$235,397,154
TOTAL OPERATING REV DEDUCTIONS	$807,215,904	$901,478,200	$1,058,370,867	$1,207,753,409	$1,287,942,250	$1,173,354,043	$1,220,714,271	$1,243,702,582
NET OPERATING INCOME	$185,225,209	$231,131,907	$254,045,666	$265,417,814	$278,123,985	$278,547,618	$302,702,127	$279,776,131
100.1 TELEPHONE PLANT IN SERVICE	$2,735,798,036	$3,148,943,645	$3,488,148,244	$3,764,653,585	$3,963,541,225	$3,794,616,085	$4,070,989,250	$4,345,663,783
100.3 PROPERTY HELD FOR FUTURE USE	3,265,831	522,848	480,377	191,043	130,530	110,385	76,033	258,869
LESS: 171 & 172 DEP. & AMORT. RESERVES	532,017,031	579,695,722	635,938,930	693,076,497	853,443,562	893,559,307	1,031,122,977	1,160,444,325
NET TELEPHONE PLANT END OF YEAR(DEC)	$2,207,046,836	$2,569,770,771	$2,852,689,691	$3,071,768,131	$3,110,228,193	$2,901,167,163	$3,039,942,306	$3,185,478,327
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	22,340,528	24,112,113	25,500,404	26,227,410	26,618,449	27,065,815	27,653,257	28,304,540
AERIAL WIRE	53,122	47,045	43,585	40,386	47,627	45,510	53,503	52,276
UNDERGROUND CONDUIT (SINGLE DUCT)	12,263	13,003	13,295	13,256	13,206	13,517	14,266	14,157
CARRIER CHANNEL(TELEPHONE)	7,066,028	7,422,396	10,173,017	11,405,974	20,843,521	9,123,941	10,956,567	16,977,291
NUMBER OF POLES	452,579	450,881	442,776	433,364	424,225	414,740	405,918	401,726
NUMBER OF CENTRAL OFFICES	531	548	560	563	565	382	382	423
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,598,589	1,637,181	1,678,745
ACCESS LINES(BUSINESS)	0	0	0	0	0	604,237	638,219	655,212
ACCESS LINES(PUBLIC)	0	0	0	0	0	28,025	28,969	28,670
ACCESS LINES(TOTAL)	0	0	0	0	133,883	2,230,851	2,304,369	2,362,627

TABLE VI

BLOCK 4: NET OPER.INCOME AND PLANT STATS. TOT4TC
TOTAL COMPANY
AUGUST 6, 1987

TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$673,016,404	$756,291,146	$868,253,006	$995,001,620	$1,084,740,220	$965,207,440	$993,153,714	$1,009,029,059
ACCESS REVENUES	0	0	0	0	0	688,306,211	801,394,654	816,963,848
TOLL SERVICE	917,702,704	1,048,514,991	1,214,704,737	1,306,248,482	1,371,515,922	478,607,906	446,831,875	440,395,207
MISCELLANEOUS	101,842,539	123,217,760	135,591,567	156,712,183	179,982,777	292,379,675	280,488,039	275,740,044
UNCOLLECTIBLES - DEBIT	12,250,449	16,343,344	21,233,301	28,212,919	29,103,041	12,927,637	16,201,682	17,038,996
TOTAL OPERATING REVENUES	$1,680,311,197	$1,911,680,552	$2,197,316,009	$2,429,749,366	$2,607,135,878	$2,411,573,595	$2,505,666,600	$2,525,089,162
OPERATING REVENUE EXPENSES								
MAINTENANCE	$353,248,339	$378,003,364	$446,969,448	$509,213,144	$525,616,830	$437,111,095	$415,147,792	$423,903,655
DEPRECIATION AND AMORTIZATION	243,976,467	279,324,835	307,591,745	363,532,758	440,136,670	401,338,036	448,266,573	509,084,696
TRAFFIC	90,071,846	93,290,531	99,890,764	102,296,440	101,918,283	74,631,440	80,812,783	74,213,687
COMMERCIAL	157,369,208	183,869,789	213,378,243	238,827,258	234,966,605	210,378,064	199,777,326	205,884,041
ACCESS EXPENSES	0	0	0	0	0	0	444,155	6,816,619
GENERAL OFFICE	109,830,469	132,807,874	154,308,910	168,681,224	188,544,921	196,102,515	208,803,716	223,135,533
OTHER OPERATING EXPENSES	150,899,254	177,821,439	201,062,967	227,003,413	225,930,673	231,886,779	248,482,422	222,970,274
TOTAL OPERATING REVENUE EXPENSES	$1,105,395,583	$1,245,117,832	$1,423,202,077	$1,609,554,237	$1,717,113,982	$1,551,447,929	$1,601,734,768	$1,666,008,505
INVESTMENT CREDIT - NET	$55,537,821	$63,451,835	$51,115,888	$31,213,899	$9,264,027	$6,239,528	$17,846,791	($1,003,437)
FEDERAL INCOME TAXES	(3,002,571)	(5,896,375)	18,792,772	35,934,804	124,226,540	132,845,946	126,229,183	105,378,163
OTHER OPERATING TAXES	140,797,878	148,617,622	179,217,225	197,434,681	187,171,197	181,184,843	190,048,730	197,412,754
OPERATING FED.INCOME TAX DEFER - ACC.DEP	65,646,061	77,151,721	106,686,920	122,246,145	114,979,552	114,787,888	128,670,467	116,284,047
OPER.FED. INCOME TAX DEFER - OTHER	7,207,578	8,251,560	7,713,856	15,134,227	12,887,342	9,312,151	10,875,438	41,894,777
INC. CREDITS FROM PRIOR FED. TAXES	9,296,369	12,880,480	18,853,057	21,921,818	33,305,952	39,214,831	48,264,429	(56,783,515)
TOTAL OPERATING TAXES	$256,890,398	$278,695,883	$344,673,604	$380,041,938	$415,222,706	$405,155,525	$425,406,179	$403,182,789
TOTAL OPERATING REV DEDUCTIONS	$1,362,285,981	$1,523,813,715	$1,767,875,681	$1,989,596,175	$2,132,336,688	$1,956,603,454	$2,027,140,947	$2,069,191,294
NET OPERATING INCOME	$318,025,215	$387,866,838	$429,440,329	$440,153,191	$474,799,190	$454,970,140	$478,525,655	$455,897,868
100.1 TELEPHONE PLANT IN SERVICE	$4,550,555,150	$5,207,306,029	$5,735,080,209	$6,164,463,706	$6,438,402,697	$6,133,661,309	$6,539,489,810	$6,934,162,397
100.3 PROPERTY HELD FOR FUTURE USE	4,402,885	1,256,580	1,230,517	303,376	300,555	231,363	156,960	346,732
LESS: 171 & 172 DEP. & AMORT. RESERVES	842,841,070	911,674,800	1,001,955,759	1,144,584,919	1,401,471,907	1,467,808,630	1,710,617,096	1,938,058,393
NET TELEPHONE PLANT END OF YEAR(DEC)	$3,712,116,965	$4,296,887,809	$4,734,354,967	$5,020,182,163	$5,037,231,345	$4,666,084,042	$4,829,029,673	$4,996,450,736
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	35,634,589	38,314,748	40,278,289	41,256,886	41,732,618	42,377,503	43,155,008	44,050,105
AERIAL WIRE	103,725	89,478	81,776	78,118	89,895	85,999	93,586	89,259
UNDERGROUND CONDUIT (SINGLE DUCT)	19,620	20,577	20,987	20,690	20,656	20,960	21,790	21,789
CARRIER CHANNEL(TELEPHONE)	14,480,155	16,613,211	20,301,254	24,376,341	37,809,695	15,817,422	21,169,971	31,490,365
NUMBER OF POLES	718,722	706,909	687,770	672,459	659,868	645,648	634,430	624,057
NUMBER OF CENTRAL OFFICES	862	881	898	906	909	622	623	658
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	2,553,230	2,603,793	2,654,241
ACCESS LINES(BUSINESS)	0	0	0	0	0	947,941	996,678	1,010,774
ACCESS LINES(PUBLIC)	0	0	0	0	0	45,798	46,981	46,681
ACCESS LINES(TOTAL)	0	0	0	0	177,162	3,546,969	3,647,452	3,711,696

TABLE 1.1

BLOCK1:BALANCE SHEET -- ASSETS
TOTAL COMPANY
AUGUST 2, 1987

01 ASOTIN TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$1,131,500	$1,128,495	$2,770,089	$2,825,368	$2,837,231	$2,840,718	$2,907,847	$2,950,738
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	68,095	1,151,085	35,528	25,432	27,463	78,668	88,153	668,165
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	$0	$0	$0	$0	$0	$0		0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0		0
171	LESS: DEPRECIATION RESERVE	351,936	375,289	335,297	511,281	661,016	824,514	1,020,156	1,241,217
172	AMORTIZATION RESERVE	0	0	0	0	0	0		0
	TOTAL NET TELEPHONE PLANT	$847,659	$1,904,291	$2,470,320	$2,339,519	$2,203,678	$2,094,872	$1,975,845	$2,377,686
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	1,000	1,000	2,650	3,650	3,650	3,650	3,650	3,650
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	1,774	4,476	9,689	1,564
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	5,606
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$1,000	$1,000	$2,650	$3,650	$5,424	$8,126	$13,339	$10,820
CURRENT ASSETS									
113	CASH	$14,613	$31,719	$1,280	$15,357	$24,982	$39,416	$8,282	$20,953
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0		0
115	WORKING FUNDS	300	300	300	400	400	400	400	400
116	TEMPORARY CASH INVESTMENTS	0	0	0	199,000	438,000	643,000	1,011,000	1,048,980
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	35,766	32,852	40,543	46,853	47,073	19,254	19,411	18,890
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	133	0	564	13,396	7,534	5,077	77	12,989
120.2	OTHER ACCOUNTS RECEIVABLE	10,208	64,962	180,246	59,499	28,813	73,025	56,060	61,469
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	2,700	4,466	14,921	16,089	17,989
122	MATERIAL AND SUPPLIES	7,335	9,256	17,865	27,663	29,825	22,262	24,701	18,187
123	OTHER CURRENT ASSETS	0	0	0	0	8,577	7,162	6,688	5,226
	TOTAL CURRENT ASSETS	$68,355	$139,089	$240,798	$364,868	$589,670	$824,517	$1,142,708	$1,205,083
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$1,700	$1,714	$1,714	($1,374)	$0	($781)	($768)	($746)
130	PREPAID TAXES	440	686	614	1,158	1,247	1,135	1,238	1,571
131	PREPAID INSURANCE	0	0	0	0	0	0	0	0
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	577	457	471	6,075	3,021	3,303	3,447	5,528
135	DISCOUNT ON LONG-TERM DEBT	12,077	11,714	11,350	10,987	10,624	10,260	9,897	9,533
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	8,126
139	OTHER DEFERRED CHARGES	53,823	19,909	22,121	24,581	26,217	37,109	26,951	13,946
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$68,617	$34,480	$36,270	$41,427	$41,109	$51,026	$40,765	$37,958
	TOTAL ASSETS AND OTHER DEBITS	$985,631	$2,078,860	$2,750,038	$2,749,464	$2,839,881	$2,978,541	$3,172,656	$3,631,547

TABLE 1.2

BLOCK2: BALANCE SHEET -- LIABILITIES
TOTAL COMPANY
AUGUST 2, 1987

01 ASOTIN TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET-- LIABILITIES AND OTHER CREDIT

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$88,250	$88,250	$88,750	$88,750	$88,750	$88,750	$88,750	$88,750
152	PREMIUM ON CAPITAL STOCK	212	212	364,712	364,712	364,712	364,712	364,712	364,712
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	209,481	313,659	472,719	522,875	583,153	693,761	777,572	972,909
134.1	LESS DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	LESS CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$297,943	$402,121	$926,181	$976,337	$1,036,615	$1,147,223	$1,231,034	$1,426,371
LONG-TERM DEBT									
151.1	FUNDED DEBT	$605,812	$1,338,519	$1,597,818	$1,569,556	$1,538,112	$1,498,051	$1,457,172	$1,415,479
156	ADVANCES FROM AFFILIATED COMPANIES	0	52,000	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$605,812	$1,390,519	$1,597,818	$1,569,556	$1,538,112	$1,498,051	$1,457,172	$1,415,479
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	11,844	10,846	14,524	11,512	18,164	18,981	16,852	56,273
159.2	OTHER ACCOUNTS PAYABLE	28,282	212,314	86,018	33,277	42,540	24,235	114,114	253,159
160	CUSTOMERS' DEPOSITS	1,030	885	990	1,655	1,835	2,020	1,997	1,792
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	1,562	1,999	1,858	2,044	1,930	2,909	2,401	4,417
165	OTHER CURRENT LIABILITIES	2,065	2,537	3,373	3,196	4,940	5,515	3,695	2,091
166	TAXES ACCRUED	834	1,202	(2,141)	(1,106)	(1,019)	676	(42)	65,003
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	0	0	0	0	0	0		0
	TOTAL CURRENT AND ACCRUED LIABILITIES	$45,617	$229,783	$104,622	$50,578	$68,390	$54,336	$139,016	$382,735
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	29,749	49,891	85,800	78,728	78,383	112,751	136,135	178,257
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	6,511	6,544	35,097	73,745	117,928	165,779	208,912	228,334
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	523	520	453	401	386	372
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$36,260	$56,435	$121,420	$152,993	$196,764	$278,931	$345,434	$406,963
	TOTAL LIABILITIES AND OTHER CREDITS	$985,632	$2,078,858	$2,750,041	$2,749,464	$2,839,881	$2,978,541	$3,172,656	$3,631,548

TABLE 1.3

BLOCK3: NET INCOME AND RETAINED EARNINGS
TOTAL COMPANY
AUGUST 2, 1987

01 ASOTIN TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$49,339	$92,762	$130,216	$57,433	$60,335	$86,866	$48,831	$149,181
-OTHER STATES	8,731	12,886	22,184	25,983	19,088	29,416	38,996	24,726
TOTAL NET OPERATING INCOME	$58,070	$105,648	$152,400	$83,416	$79,423	$116,282	$87,827	$173,907
INTEREST CHARGED TO CONSTRUCTION	0	18,454	41,139	0	0	0	0	4,920
OTHER INCOME	2,402	70	70	4,157	27,029	55,243	80,398	83,450
MISCELLANEOUS DEDUCTIONS FROM INCOME	319	120	238	2,452	12,736	25,362	33,881	35,780
INTEREST ON FUNDED DEBT	11,194	16,001	31,055	31,771	31,168	30,455	29,636	28,822
OTHER FIXED CHARGES	1,501	2,064	1,446	1,385	460	3,291	610	528
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$47,458	$105,987	$160,870	$51,965	$62,088	$112,417	$104,098	$197,147
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$163,832	$209,481	$313,659	$472,719	$522,875	$583,153	$693,761	$777,572
CREDITS: NET INCOME(AS ABOVE)	$47,458	$105,987	$160,870	$51,965	$62,088	$112,417	$104,098	197,147
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$47,458	$105,987	$160,870	$51,965	$62,088	$112,417	$104,098	$197,147
DEBITS: DIVIDEND APPROPRIATIONS	$1,809	$1,809	$1,810	$1,809	$1,810	$1,809	$20,287	1,810
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$1,809	$1,809	$1,810	$1,809	$1,810	$1,809	$20,287	$1,810
BALANCE AT END OF YEAR	$209,481	$313,659	$472,719	$522,875	$583,153	$693,761	$777,572	$972,909

TABLE 1.4

1 BLOCK4: NET OPER.INCOME AND PLANT STATS. 01 ASOTIN TELEPHONE COMPANY -- WASHINGTON STATE OPERATIONS ONLY
2 STATE NET OPERATING INCOME AND PLANT STATISTICS
3 AUGUST 2, 1987

4	1979	1980	1981	1982	1983	1984	1985	1986
5								
6 OPERATING REVENUES								
7 ----------								
8 LOCAL SERVICE	$120,574	$130,102	$142,542	$149,166	$121,653	$139,368	$168,638	$232,432
9 ACCESS REVENUES	0	0	0	0	0	249,534	442,567	457,312
10 TOLL SERVICE	125,074	217,800	370,195	396,901	404,600	223,008	(18,188)	16,989
11 MISCELLANEOUS	13,145	13,310	13,489	12,380	9,917	27,289	61,275	69,400
12 UNCOLLECTIBLES - DEBIT	1,094	5,909	4,585	5,648	5,394	296	940	5,902
13								
14 TOTAL OPERATING REVENUES	$257,699	$355,303	$521,641	$552,799	$530,776	$638,903	$653,352	$770,231
15								
16 OPERATING REVENUE EXPENSES								
17 ----------								
18 MAINTENANCE	$47,531	$58,909	$100,783	$76,250	$77,900	$72,047	$92,588	$98,437
19 DEPRECIATION AND AMORTIZATION	37,931	40,878	69,069	175,389	175,444	175,898	189,671	187,223
20 TRAFFIC	2,184	3,320	4,981	7,495	3,527	5,950	5,732	4,768
21 COMMERCIAL	25,395	28,585	25,973	30,850	33,811	42,130	37,823	41,556
22 ACCESS EXPENSES	0	0	0	0	0	0	0	0
23 GENERAL OFFICE	27,484	28,852	41,020	52,583	60,245	90,021	107,599	93,051
24 OTHER OPERATING EXPENSES	46,590	51,408	64,357	96,813	54,788	65,443	93,204	80,333
25								
26 TOTAL OPERATING REVENUE EXPENSES	$187,115	$211,952	$306,183	$439,380	$405,715	$451,489	$526,618	$505,368
27								
28 INVESTMENT CREDIT - NET	$3,697	$18,128	$33,894	($6,432)	($367)	$31,301	$21,243	$37,701
29 FEDERAL INCOME TAXES	0	15,196	4,897	(1,979)	(8,854)	(15,180)	(20,274)	38,909
30 OTHER OPERATING TAXES	14,188	17,235	19,988	30,731	35,473	42,391	33,787	25,503
31 OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	30	26,464	33,666	38,474	42,036	43,147	13,569
32 OPER.FED. INCOME TAX DEFER - OTHER	3,359	0	0	0	0	0	0	0
33 INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
34								
35 TOTAL OPERATING TAXES	$21,244	$50,589	$85,243	$55,986	$64,726	$100,548	$77,903	$115,682
36								
37 TOTAL OPERATING REV DEDUCTIONS	$208,359	$262,541	$391,426	$495,366	$470,441	$552,037	$604,521	$621,050
38								
39 NET OPERATING INCOME	$49,340	$92,762	$130,215	$57,433	$60,335	$86,866	$48,831	$149,181
40								
41 100.1 TELEPHONE PLANT IN SERVICE	$980,090	$998,975	$2,542,572	$2,593,408	$2,603,973	$2,599,568	$2,657,550	2,842,580
42 100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
43 LESS: 171 & 172 DEP. & AMORT. RESERVES	302,854	345,087	286,964	438,541	574,722	723,305	900,685	1,087,683
44								
45 NET TELEPHONE PLANT END OF YEAR(DEC)	$677,236	$653,888	$2,255,608	$2,154,867	$2,029,251	$1,876,263	$1,756,865	$1,754,897
46								
47 PRIMARY STATISTICS								
48 ----------								
49 MILES OF: WIRE IN CABLE	2,214	2,214	2,214	2,214	11,477	11,477	11,477	11,477
50 AERIAL WIRE	142	145	145	145	2	2	2	2
51 UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0
52 CARRIER CHANNEL(TELEPHONE)	0	0	0	0	0	0	0	0
53 NUMBER OF POLES	0	843	843	843	408	408	408	408
54 NUMBER OF CENTRAL OFFICES	2	2	2	2	2	2	2	2
55 ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	693	694	673
56 ACCESS LINES(BUSINESS)	0	0	0	0	0	114	103	102
57 ACCESS LINES(PUBLIC)	0	0	0	0	0	4	4	4
58 ACCESS LINES(TOTAL)	0	0	0	0	0	811	801	779
59								
60								
61								
62								

TABLE 2.1

BLOCK1:
AUGUST 2, 1987

02 CASCADE AUTOVON - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$3,962,320	$3,966,804	$3,997,526	$4,024,167	$6,011,193	$6,147,591	$6,270,860	$6,399,887
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	2,323	0	0	3,930,470	44,247	67,553	43,781	43,668
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	3,219,382	3,416,481	3,614,331	3,815,567	1,393,659	2,462,912	3,519,856	4,042,892
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$745,261	$550,323	$383,195	$4,139,070	$4,661,781	$3,752,232	$2,794,785	$2,400,663
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$2,388,080	$2,761,319	$3,082,448	$3,530,486	$4,034,356	$4,612,960	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	0	0	0	0	0	0	0	0
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	0	0	0
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$2,388,080	$2,761,319	$3,082,448	$3,530,486	$4,034,356	$4,612,960	$0	$0
CURRENT ASSETS									
113	CASH	$100	$100	$100	$100	$200	$200	$200	$300
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	0	0	0	0	0	0	0	0
116	TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	0
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	0	0	0	0	0	0	0	0
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	123,785	0	0	0	0	0	77,442	164,736
120.2	OTHER ACCOUNTS RECEIVABLE	103,728	158,410	160,941	201,722	443,172	977,939	696,920	264,028
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	0	0	0	0	21	21	21	0
123	OTHER CURRENT ASSETS	0	0	0	0	0	0	0	0
	TOTAL CURRENT ASSETS	$227,613	$158,510	$161,041	$201,822	$443,393	$978,160	$774,583	$429,064
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	0	0	0	0	0	0	0	0
131	PREPAID INSURANCE	0	0	0	0	0	373	110	689
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	1,886	0	0	0	0	0	0	0
135	DISCOUNT ON LONG-TERM DEBT	10,223	1,666	0	0	0	0	0	0
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	0	0	0	348	5,000	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$12,109	$1,666	$0	$348	$5,000	$373	$110	$689
	TOTAL ASSETS AND OTHER DEBITS	$3,373,063	$3,471,818	$3,626,684	$7,871,726	$9,144,530	$9,343,725	$3,569,478	$2,830,416

TABLE 2.2

BLOCK2:
AUGUST 2, 1987

02 CASCADE AUTOVON - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$225,000	$225,000	$225,000	$225,000	$225,000	$225,000	$225,000	$225,000
152	PREMIUM ON CAPITAL STOCK	2,303	2,303	2,303	2,303	2,303	2,303	2,303	2,303
179	OTHER CAPITAL	295,039	295,039	295,039	295,039	295,039	295,039	295,039	295,039
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	1,788,738	2,115,642	2,087,541	2,844,621	4,053,926	5,413,331	1,293,890	1,363,418
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$2,311,080	$2,637,984	$2,609,883	$3,366,963	$4,576,268	$5,935,673	$1,816,232	$1,885,760
LONG-TERM DEBT									
151.1	FUNDED DEBT	$750,000	$375,000	$0	$0	$0	$0	$0	$0
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$750,000	$375,000	$0	$0	$0	$0	$0	$0
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	249,583	908,874	3,105,590	4,084,948	2,737,076	1,123,159	0
159.2	OTHER ACCOUNTS PAYABLE	194,514	185,603	108,989	1,359,237	33,369	69,465	61,390	169,722
160	CUSTOMERS' DEPOSITS	0	0	0	0	0	0	0	0
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	7,599	7,870	0	0	0	0	78,695	0
166	TAXES ACCRUED	21,562	6,901	(6,604)	34,294	55,303	92,869	(35,640)	(22,708)
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	5,470	2,735	0	0	0	0	0	0
	TOTAL CURRENT AND ACCRUED LIABILITIES	$229,145	$452,692	$1,011,259	$4,499,121	$4,173,620	$2,899,410	$1,227,604	$147,014
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	7,838	6,142	5,542	4,342	383,342	454,342	416,342	366,342
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	75,000	0	0	1,300	11,300	54,300	109,300	431,300
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$82,838	$6,142	$5,542	$5,642	$394,642	$508,642	$525,642	$797,642
	TOTAL LIABILITIES AND OTHER CREDITS	$3,373,063	$3,471,818	$3,626,684	$7,871,726	$9,144,530	$9,343,725	$3,569,478	$2,830,416

TABLE 2.3

BLOCK3:
AUGUST 2, 1987

02 CASCADE AUTOVON TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$146,531	$111,260	$63,457	$94,853	$630,549	$853,159	$600,515	$247,854
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$146,531	$111,260	$63,457	$94,853	$630,549	$853,159	$600,515	$247,854
INTEREST CHARGED TO CONSTRUCTION	0	0	0	113,781	161,782	0	0	0
OTHER INCOME	531,659	687,615	693,945	638,103	686,624	865,339	804,440	(3,330)
MISCELLANEOUS DEDUCTIONS FROM INCOME	0	1,500	0	0	666	0	0	0
INTEREST ON FUNDED DEBT	87,502	54,687	21,874	0	0	0	0	0
OTHER FIXED CHARGES	10,223	10,784	26,641	89,657	268,984	257,843	100,326	24,246
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	
NET INCOME	$580,465	$731,904	$708,887	$757,080	$1,209,305	$1,460,655	$1,304,629	$220,278
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$1,469,273	$1,788,738	$2,115,642	$2,087,541	$2,844,621	$4,053,926	$5,413,331	$1,293,890
CREDITS: NET INCOME(AS ABOVE)	$580,465	$731,904	$708,887	$757,080	$1,209,305	$1,460,655	$1,304,629	220,278
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$580,465	$731,904	$708,887	$757,080	$1,209,305	$1,460,655	$1,304,629	$220,278
DEBITS: DIVIDEND APPROPRIATIONS	$261,000	$405,000	$736,988	$0	$0	$101,250	$5,424,070	150,750
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$261,000	$405,000	$736,988	$0	$0	$101,250	$5,424,070	$150,750
BALANCE AT END OF YEAR	$1,788,738	$2,115,642	$2,087,541	$2,844,621	$4,053,926	$5,413,331	$1,293,890	$1,363,418

TABLE 2.4

BLOCK4:
AUGUST 2, 1987

02 CASCADE AUTOVON COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$841,255	$894,853	$898,684	$0	$0	$0	$0	$0
ACCESS REVENUES	0	0	0	0	0	0	0	0
TOLL SERVICE	0	0	0	950,792	2,833,534	3,569,008	0	0
MISCELLANEOUS	21,417	0	0	0	0	0	3,215,440	2,147,393
UNCOLLECTIBLES - DEBIT	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	$862,672	$894,853	$898,684	$950,792	$2,833,534	$3,569,008	$3,215,440	$2,147,393
OPERATING REVENUE EXPENSES								
MAINTENANCE	$254,567	$317,379	$336,871	$345,579	$593,209	$773,840	$780,416	$753,150
DEPRECIATION AND AMORTIZATION	209,562	204,665	206,167	200,306	914,230	1,040,741	1,053,963	515,186
TRAFFIC	0	0	0	0	0	0	0	0
COMMERCIAL	4,714	0	0	0	0	1,744	72	0
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	69,573	97,689	124,190	179,390	228,516	243,445	149,695	177,689
OTHER OPERATING EXPENSES	69,814	65,156	85,118	45,584	83,767	126,067	139,984	154,844
TOTAL OPERATING REVENUE EXPENSES	$608,230	$684,889	$752,346	$770,859	$1,824,722	$2,185,837	$2,124,130	$1,600,869
INVESTMENT CREDIT - NET	($5,000)	($1,700)	($600)	($1,200	$379,000	$71,000	($38,000)	($50,000)
FEDERAL INCOME TAXES	(12,850)	139,300	41,500	26,000	(87,000)	343,000	380,000	(66,000)
OTHER OPERATING TAXES	50,761	36,104	41,981	58,980	76,263	73,012	93,795	92,670
OPERATING FED.INCOME TAX DEFER - ACC.DEP	75,000	(75,000)	0	1,300	10,000	43,000	53,000	322,000
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$107,911	$98,704	$82,881	$85,080	$378,263	$530,012	$490,795	$298,670
TOTAL OPERATING REV DEDUCTIONS	$716,141	$783,593	$835,227	$855,939	$2,202,985	$2,715,849	$2,614,925	$1,899,539
NET OPERATING INCOME	$146,531	$111,260	$63,457	$94,853	$630,549	$853,159	$600,515	$247,854
100.1 TELEPHONE PLANT IN SERVICE	$3,962,320	$3,966,804	$3,997,526	$4,024,167	$6,011,193	$6,147,591	$6,270,860	6,399,887
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	3,219,382	3,416,481	3,614,331	3,815,567	1,393,659	2,462,912	3,519,856	4,042,892
NET TELEPHONE PLANT END OF YEAR(DEC)	$742,938	$550,323	$383,195	$208,600	$4,617,534	$3,684,679	$2,751,004	$2,356,995
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	0	0	0	0	0	0	0	0
AERIAL WIRE	0	0	0	0	0	0	0	0
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0
CARRIER CHANNEL(TELEPHONE)	0	0	0	0	0	0	0	0
NUMBER OF POLES	0	0	0	0	0	0	0	0
NUMBER OF CENTRAL OFFICES	0	0	0	0	0	0	0	0
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	0	0	0
ACCESS LINES(BUSINESS)	0	0	0	0	0	0	0	0
ACCESS LINES(PUBLIC)	0	0	0	0	0	0	0	0
ACCESS LINES(TOTAL)	0	0	0	0	0	0	0	0

TABLE 3.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

03 CONTINENTAL TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$86,541,013	$96,072,204	$108,581,626	$118,593,859	$127,998,429	$138,224,074	$146,552,447	$153,405,969
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	4,972,352	5,412,848	3,904,727	3,315,638	3,628,980	1,906,277	1,052,999	1,250,753
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	32,893	33,919	39,801	1,026	1,026	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	19,362	16,734	14,106	11,478	8,850	6,324	4,104	1,884
171	LESS: DEPRECIATION RESERVE	16,319,046	17,242,161	22,431,872	25,455,311	31,177,395	37,340,321	44,815,720	55,077,058
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$75,213,681	$84,292,518	$90,102,506	$96,505,465	$100,459,890	$102,797,380	$102,793,830	$99,581,548
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	3,000	3,000	3,000	3,000	3,000	3,000	2,914	2,829
103	MISCELLANEOUS PHYSICAL PROPERTY	10,799	107,659	20,329	20,329	20,329	9,780	9,780	51,034
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$13,799	$1 ,659	$23,329	$23,329	$23,329	$12,780	$12,694	$53,863
CURRENT ASSETS									
113	CASH	$1,180,835	$1,194,713	$398,606	$725,175	$1,377,799	$2,676,175	$7,472,731	$6,050,296
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	28,020	22,250	47,300	47,350	47,175	47,245	47,195	0
116	TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	0
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	194,314	49,330	0
118	DUE FROM CUSTOMERS AND AGENTS	2,892,700	3,286,945	4,763,160	4,913,267	5,596,456	7,093,190	5,019,798	5,737,957
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	235,527	109,210	187,477	249,986	554,754	817,209	1,356,717	921,971
120.2	OTHER ACCOUNTS RECEIVABLE	2,117,063	1,751,666	3,094,035	3,353,267	1,629,155	1,877,793	740,523	2,134,402
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	655,850	584,125	646,640	631,605	700,026	1,392,278	1,183,366	722,402
123	OTHER CURRENT ASSETS	0	101,098	429,226	687,757	976,847	871,454	195,573	58,319
	TOTAL CURRENT ASSETS	$7,109,995	$7,050,007	$9,566,444	$10,608,407	$10,882,212	$14,969,658	$16,065,233	$15,625,347
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	0	0	0	0	0	0	0	0
131	PREPAID INSURANCE	0	0	0	0	0	0	0	15,032
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	0	0	0	0	0	130	5	0
135	DISCOUNT ON LONG-TERM DEBT	150,100	145,802	165,039	179,472	168,146	176,794	150,388	679,547
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	7,200	6,000	4,800	3,600	2,400	1,200	0	0
139	OTHER DEFERRED CHARGES	49,405	37,213	52,750	22,828	226,244	98,462	25,726	129,133
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$206,705	$189,015	$222,589	$205,900	$396,790	$276,586	$176,119	$823,712
	TOTAL ASSETS AND OTHER DEBITS	$82,544,180	$91,642,199	$99,914,868	$107,343,101	$111,762,221	$118,056,404	$119,047,876	$116,084,470

TABLE 3.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

03 CONTINENTAL TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$4,855,646	$4,742,746	$4,577,846	$4,412,946	$4,248,046	$4,077,000	$3,952,100	$536,000
152	PREMIUM ON CAPITAL STOCK	4,179,237	7,143,237	7,143,237	7,143,237	7,143,237	7,143,237	7,143,237	7,143,237
179	OTHER CAPITAL	8,479,912	8,621,247	11,447,578	12,447,578	12,447,578	12,448,45[illegible]	12,448,456	12,448,456
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	15,143,445	17,287,898	18,994,492	20,858,715	22,437,387	24,929,435	26,367,520	30,169,660
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$32,658,240	$37,795,128	$42,163,153	$44,862,476	$46,276,248	$48,598,128	$49,911,313	$50,297,353
LONG-TERM DEBT									
151.1	FUNDED DEBT	$31,364,907	$36,055,997	$34,821,500	$34,543,000	$37,764,500	$36,486,000	$38,624,534	$30,566,859
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	3,000,000	0	4,918,646	4,554,222	4,182,577	3,803,572	0	0
	TOTAL LONG-TERM DEBT	$34,364,907	$36,055,997	$39,740,146	$39,097,222	$41,947,077	$40,289,572	$38,624,534	$30,566,859
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$3,000,000	$3,700,000	$2,100,000	$3,000,000	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	1,000,000	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	197,625	501,571	540,146	677,096	344,339	776,662	786,441	765,974
159.2	OTHER ACCOUNTS PAYABLE	1,819,429	3,176,296	1,830,903	2,163,788	2,577,425	3,980,984	3,605,792	7,426,795
160	CUSTOMERS' DEPOSITS	121,694	132,803	129,492	176,287	191,990	259,533	285,332	282,145
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	376,556	405,873	775,701	813,014	1,307,000	423,524	462,214	492,363
165	OTHER CURRENT LIABILITIES	125,879	218,425	2,007,041	2,863,134	2,683,057	5,317,490	4,372,121	3,934,197
166	TAXES ACCRUED	1,862,957	1,411,760	779,256	1,435,255	1,637,043	1,468,677	1,625,858	2,577,030
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	676,194	606,620	1,203,113	1,153,276	1,646,815	1,081,527	1,060,206	632,455
	TOTAL CURRENT AND ACCRUED LIABILITIES	$9,180,334	$10,153,348	$9,365,652	$12,281,850	$10,387,669	$13,308,397	$12,197,964	$16,110,959
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	4,509,367	5,532,520	6,092,915	7,046,369	7,686,365	8,543,677	8,740,410	8,011,560
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	1,718,913	1,933,030	2,542,529	4,094,307	5,508,115	7,449,178	9,714,037	11,137,854
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	112,419	172,176	10,473	(39,123)	(43,253)	(132,548)	(140,382)	(40,115)
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$6,340,699	$7,637,726	$8,645,917	$11,101,553	$13,151,227	$15,860,307	$18,314,065	$19,109,299
	TOTAL LIABILITIES AND OTHER CREDITS	$82,544,180	$91,642,199	$99,914,868	$107,343,101	$111,762,221	$118,056,404	$119,047,876	$116,084,470

TABLE 3.3

BLOCK3 -- INCOME AND RETAINED EARNINGS
AUGUST 2, 1987

03 CONTINENTAL TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$5,434,398	$5,675,145	$5,828,243	$6,953,538	$7,178,697	$8,060,352	$7,554,356	$8,908,152
-OTHER STATES	1,353,147	2,326,850	2,249,396	1,728,911	2,269,910	2,599,712	2,758,796	2,717,297
TOTAL NET OPERATING INCOME	$6,787,545	$8,001,995	$8,077,639	$8,682,449	$9,448,607	$10,660,064	$10,313,152	$11,625,449
INTEREST CHARGED TO CONSTRUCTION	0	782	32	(989)	2,140	1,284	1,957	630,354
OTHER INCOME	30,080	47,172	353,489	131,782	(602,092)	(260,359)	(306,812)	(89,114)
MISCELLANEOUS DEDUCTIONS FROM INCOME	9,911	33,610	110,476	51,610	(244,217)	(129,999)	(136,687)	284,375
INTEREST ON FUNDED DEBT	2,380,582	3,044,083	3,749,043	3,496,799	3,560,681	4,029,950	3,713,307	3,297,064
OTHER FIXED CHARGES	532,400	573,728	124,254	213,303	91,996	(83,480)	86,979	127,589
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$3,894,732	$4,398,528	$4,447,387	$5,051,530	$5,440,195	$6,584,518	$6,344,698	$8,457,661
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$13,514,845	$15,143,445	$17,287,898	$18,994,492	$20,858,715	$22,437,387	$24,929,436	$26,367,520
CREDITS: NET INCOME(AS ABOVE)	$3,894,732	$4,398,528	$4,447,387	$5,051,530	$5,440,195	$6,619,024	$6,344,698	8,457,661
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$3,894,732	$4,398,528	$4,447,387	$5,051,530	$5,440,195	$6,619,024	$6,344,698	$8,457,661
DEBITS: DIVIDEND APPROPRIATIONS	$2,266,132	$2,254,075	$2,740,793	$3,187,307	$3,861,523	$3,718,875	$4,884,114	4,569,080
OTHER DEBITS	0	0	0	0	0	408,101	22,500	86,441
TOTAL DEBITS	$2,266,132	$2,254,075	$2,740,793	$3,187,307	$3,861,523	$4,126,976	$4,906,614	$4,655,521
BALANCE AT END OF YEAR	$15,143,445	$17,287,898	$18,994,492	$20,858,715	$22,437,387	$24,929,435	$26,367,520	$30,169,660

TABLE 3.4

BLOCK4 : NET INCOME & PLANT STATS.
AUGUST 2, 1987

03 CONTINENTAL TELEPHONE COMPANY -- WASHINGTON STATE OPERATIONS ONLY
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$6,923,243	$7,313,509	$9,763,320	$11,021,999	$11,607,335	$12,711,307	$13,149,355	$14,025,273
ACCESS REVENUES	0	0	0	0	0	27,992,627	28,624,565	29,934,296
TOLL SERVICE	14,511,809	15,608,181	18,367,930	22,336,755	24,941,778	354,135	(326,970)	181,807
MISCELLANEOUS	555,357	629,169	711,805	766,658	954,226	2,022,449	2,517,709	2,962,112
UNCOLLECTIBLES - DEBIT	134,000	183,000	250,000	291,200	254,200	330,624	152,014	197,288
TOTAL OPERATING REVENUES	$21,856,409	$23,367,859	$28,593,055	$33,834,212	$37,249,139	$42,749,894	$43,812,645	$46,906,200
OPERATING REVENUE EXPENSES								
MAINTENANCE	$4,758,047	$4,817,205	$6,422,176	$7,232,453	$7,111,831	$7,011,491	$6,834,755	$6,684,761
DEPRECIATION AND AMORTIZATION	3,941,442	4,559,406	5,508,637	5,290,936	6,994,203	8,902,609	9,877,746	9,758,365
TRAFFIC	508,577	619,782	911,083	1,083,323	1,167,556	953,605	1,154,992	1,076,664
COMMERCIAL	1,348,700	1,617,078	2,018,940	2,375,625	2,662,255	2,885,539	2,975,216	3,112,359
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	1,882,816	2,095,009	2,602,437	3,196,532	3,325,081	3,917,367	4,578,714	5,644,927
OTHER OPERATING EXPENSES	1,267,951	1,414,687	2,005,890	2,912,634	2,938,017	3,738,086	4,154,538	4,008,166
TOTAL OPERATING REVENUE EXPENSES	$13,707,533	$15,123,167	$19,469,163	$22,091,503	$24,198,943	$27,408,697	$29,575,961	$30,285,242
INVESTMENT CREDIT - NET	$568,003	$637,401	$385,258	$839,904	$760,367	$815,260	$378,822	($725,160)
FEDERAL INCOME TAXES	651,947	333,778	924,515	713,250	2,138,762	3,054,734	2,746,524	5,092,056
OTHER OPERATING TAXES	1,494,528	1,598,368	1,810,430	1,992,415	1,871,937	1,913,773	1,776,863	1,823,398
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	164,973	1,232,856	1,078,805	1,591,572	1,809,259	1,454,174
OPER.FED. INCOME TAX DEFER - OTHER	0	0	10,473	10,746	21,628	(94,494)	(29,140)	68,338
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$2,714,478	$2,569,547	$3,295,649	$4,789,171	$5,871,499	$7,280,845	$6,682,328	$7,712,806
TOTAL OPERATING REV DEDUCTIONS	$16,422,011	$17,692,714	$22,764,812	$26,880,674	$30,070,442	$34,689,542	$36,258,289	$37,998,048
NET OPERATING INCOME	$5,434,398	$5,675,145	$5,828,243	$6,953,538	$7,178,697	$8,060,352	$7,554,356	$8,908,152
100.1 TELEPHONE PLANT IN SERVICE	$65,213,101	$71,827,557	$79,544,098	$86,902,567	$94,997,142	$103,144,500	$110,495,636	115,393,104
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	5,882	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	11,502,717	12,868,139	16,541,237	17,922,032	22,144,279	26,441,680	33,691,022	41,429,522
NET TELEPHONE PLANT END OF YEAR(DEC)	$53,710,384	$58,959,418	$63,002,861	$68,986,417	$72,852,863	$76,702,820	$76,804,614	$73,963,582
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	288,162	341,922	378,156	418,939	464,460	509,292	588,761	605,566
AERIAL WIRE	1,915	1,578	1,564	1,222	895	780	1,210	1,186
UNDERGROUND CONDUIT (SINGLE DUCT)	160	169	169	173	173	173	184	184
CARRIER CHANNEL(TELEPHONE)	0	0	0	0	0	0	0	0
NUMBER OF POLES	25,193	24,853	24,820	24,020	23,406	23,134	22,671	22,521
NUMBER OF CENTRAL OFFICES	30	30	30	30	30	30	32	32
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	37,716	38,340	39,157
ACCESS LINES(BUSINESS)	0	0	0	0	0	7,617	7,792	7,677
ACCESS LINES(PUBLIC)	0	0	0	0	0	467	483	506
ACCESS LINES(TOTAL)	0	0	0	0	0	45,800	46,615	47,340

TABLE 4.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

04 COWICHE TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

	1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT								
100.1 TELEPHONE PLANT IN SERVICE	$1,480,660	$1,531,641	$1,595,670	$1,676,435	$2,823,738	$2,899,144	$2,927,819	$2,978,095
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	0	0	26,710	138,611	847	1,776	3,398	49
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171 LESS: DEPRECIATION RESERVE	698,101	763,102	830,173	887,299	494,256	673,972	846,886	1,010,948
172 AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
TOTAL NET TELEPHONE PLANT	$782,559	$768,539	$792,207	$927,747	$2,330,329	$2,226,948	$2,084,331	$1,967,196
INVESTMENTS AND FUNDS								
101.1 INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2 ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	54,146	0	0	64,535
102 OTHER INVESTMENTS	32,146	36,619	48,489	88,138	0	46,969	47,005	0
103 MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	0	0	0
104 SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106 NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136 PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
TOTAL INVESTMENTS AND FUNDS	$32,146	$36,619	$48,489	$88,138	$54,146	$46,969	$47,005	$64,535
CURRENT ASSETS								
113 CASH	$84,745	$125,751	$130,951	$123,800	$59,540	$355,134	$87,607	$47,574
114 SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115 WORKING FUNDS	0	0	0	0	0	0	0	750
116 TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	750	823,983
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	582,181	0
117.2 OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118 DUE FROM CUSTOMERS AND AGENTS	47,701	47,694	47,223	58,494	72,414	74,980	78,763	82,879
120.1 ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
120.2 OTHER ACCOUNTS RECEIVABLE	0	0	0	0	82,300	14,220	16,808	16,522
121 INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122 MATERIAL AND SUPPLIES	17,300	16,675	19,677	19,578	30,969	26,978	22,129	17,429
123 OTHER CURRENT ASSETS	0	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	$149,746	$190,120	$197,851	$201,872	$245,223	$471,312	$788,238	$989,137
PREPAID ACCOUNTS AND DEFERRED CHARGES							???????????	
129 PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130 PREPAID TAXES	0	17,464	0	0	54,700	10,717	3,500	0
131 PREPAID INSURANCE	1,082	0	0	507	0	0	0	0
132 PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133 OTHER PREPAYMENTS	0	0	0	0	0	0	0	0
135 DISCOUNT ON LONG-TERM DEBT	2,814	2,533	2,253	0	0	0	0	0
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139 OTHER DEFERRED CHARGES	775	775	775	775	0	0	0	0
TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$4,671	$20,772	$3,028	$1,282	$54,700	$10,717	$3,500	$0
TOTAL ASSETS AND OTHER DEBITS	$969,122	$1,016,050	$1,041,575	$1,219,039	$2,684,398	$2,755,946	$2,923,074	$3,020,868

TABLE 4.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

04 COWICHE TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$121,000	$121,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	586,484	630,478	657,009	709,793	860,955	878,314	984,964	947,894
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$707,484	$751,478	$777,009	$829,793	$980,955	$998,314	$1,104,964	$1,067,894
LONG-TERM DEBT									
151.1	FUNDED DEBT	$216,000	$210,000	$204,000	$251,764	$1,445,073	$1,625,169	$1,600,202	$1,607,053
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$216,000	$210,000	$204,000	$251,764	$1,445,073	$1,625,169	$1,600,202	$1,607,053
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	13,305	0
159.2	OTHER ACCOUNTS PAYABLE	10,652	26,180	18,857	46,743	185,733	9,762	1,490	12,771
160	CUSTOMERS' DEPOSITS	240	625	990	1,035	755	1,035	0	2,055
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	0	0	0	24,918	5,267	2,484	2,179	2,451
166	TAXES ACCRUED	11,336	2,350	7,631	11,312	10,358	6,013	5,421	6,702
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	910	974	871	2,308	13,440	13,423	13,499	13,332
	TOTAL CURRENT AND ACCRUED LIABILITIES	$23,138	$30,129	$28,349	$86,316	$215,553	$32,717	$35,894	$37,311
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	22,500	24,443	29,708	38,451	30,102	31,715	32,447	69,469
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	0	0	0	12,715	12,715	68,031	149,567	239,141
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	2,509	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$22,500	$24,443	$32,217	$51,166	$42,817	$99,746	$182,014	$308,610
	TOTAL LIABILITIES AND OTHER CREDITS	$969,122	$1,016,050	$1,041,575	$1,219,039	$2,684,398	$2,755,946	$2,923,074	$3,020,868

TABLE 4.3

BLOCK 3:
AUGUST 2, 1987

04 COWICHE TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

	1979	1980	1981	1982	1983	1984	1985	1986
NET INCOME								
NET OPERATING INCOME -WASHINGTON	$107,624	$69,920	$52,806	$86,874	$253,098	$152,357	$224,284	$285,548
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$107,624	$69,920	$52,806	$86,874	$253,098	$152,357	$224,284	$285,548
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	0
OTHER INCOME	4,106	9,985	14,027	12,824	14,892	20,982	36,364	53,970
MISCELLANEOUS DEDUCTIONS FROM INCOME	931	1,019	1,157	6,312	3,480	1,331	1,456	968
INTEREST ON FUNDED DEBT	11,195	11,011	10,534	12,085	85,112	125,448	124,531	124,016
OTHER FIXED CHARGES	281	281	280	281	0	965	98	59
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	323	(850)
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$99,323	$67,594	$54,862	$81,020	$179,398	$45,595	$134,886	$213,625
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$512,616	$586,484	$630,478	$657,009	$709,793	$860,955	$878,314	$984,964
CREDITS: NET INCOME(AS ABOVE)	$99,323	$67,594	$54,862	$81,020	$179,398	$45,595	$134,886	213,625
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$99,323	$67,594	$54,862	$81,020	$179,398	$45,595	$134,886	$213,625
DEBITS: DIVIDEND APPROPRIATIONS	$25,455	$23,600	$28,306	$28,236	$28,236	$28,236	$28,236	47,060
OTHER DEBITS	0	0	25	0	0	0	0	203,635
TOTAL DEBITS	$25,455	$23,600	$28,331	$28,236	$28,236	$28,236	$28,236	$250,695
BALANCE AT END OF YEAR	$586,484	$630,478	$657,009	$709,793	$860,955	$878,314	$984,964	$947,894

TABLE 4.4

BLOCK 4:
AUGUST 2, 1987

04 COWICHE TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$144,891	$155,025	$159,510	$174,331	$180,495	$187,035	$230,165	$245,682
ACCESS REVENUES	0	0	0	0	0	598,725	653,702	748,150
TOLL SERVICE	293,374	319,469	355,371	424,879	556,826	19,282	24,294	(7,402)
MISCELLANEOUS	13,793	10,854	8,452	9,957	8,276	29,093	37,546	24,003
UNCOLLECTIBLES - DEBIT	5,539	4,102	2,701	3,022	368	2,443	(1,796)	2,693
TOTAL OPERATING REVENUES	$446,519	$481,246	$520,632	$606,145	$745,229	$831,692	$947,503	$1,007,740
OPERATING REVENUE EXPENSES								
MAINTENANCE	$73,223	$85,994	$77,941	$88,724	$116,895	$140,348	$136,146	$117,745
DEPRECIATION AND AMORTIZATION	69,495	69,618	73,530	74,761	111,173	172,765	171,608	161,412
TRAFFIC	3,648	3,755	3,361	9,412	4,148	5,345	4,952	20
COMMERCIAL	14,232	21,622	18,245	27,105	16,195	15,541	13,119	18,696
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	71,627	107,519	157,479	156,083	165,119	161,800	182,203	167,385
OTHER OPERATING EXPENSES	49,260	79,454	77,845	79,727	84,272	91,856	101,076	94,141
TOTAL OPERATING REVENUE EXPENSES	$281,485	$367,962	$408,401	$435,812	$497,802	$587,655	$609,104	$559,399
INVESTMENT CREDIT - NET	$3,101	$1,943	$5,265	$8,743	($8,349)	$1,613	$732	$37,022
FEDERAL INCOME TAXES	23,607	6,534	11,747	20,084	(34,900)	(14,171)	0	3,987
OTHER OPERATING TAXES	30,702	34,887	39,904	44,426	37,578	48,922	31,847	32,210
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	2,509	10,206	0	55,316	81,536	89,574
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$57,410	$43,364	$59,425	$83,459	($5,671)	$91,680	$114,115	$162,793
TOTAL OPERATING REV DEDUCTIONS	$338,895	$411,326	$467,826	$519,271	$492,131	$679,335	$723,219	$722,192
NET OPERATING INCOME	$107,624	$69,920	$52,806	$86,874	$253,098	$152,357	$224,284	$285,548
100.1 TELEPHONE PLANT IN SERVICE	$1,480,660	$1,531,641	$1,595,670	$1,676,435	$2,823,738	$2,899,144	$2,927,819	2,978,095
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	698,101	763,102	830,173	887,299	494,256	673,972	846,886	1,010,948
NET TELEPHONE PLANT END OF YEAR(DEC)	$782,559	$768,539	$765,497	$789,136	$2,329,482	$2,225,172	$2,080,933	$1,967,147
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	10,502	10,502	10,698	10,984	13,146	13,164	13,196	13,642
AERIAL WIRE	173	175	165	154	124	124	121	121
UNDERGROUND CONDUIT (SINGLE DUCT)	2	2	2	2	3	3	3	3
CARRIER CHANNEL(TELEPHONE)	0	0	0	0	0	0	0	0
NUMBER OF POLES	2,144	2,144	2,144	2,096	1,502	1,502	1,502	1,502
NUMBER OF CENTRAL OFFICES	2	2	2	2	2	2	2	2
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,232	1,136	1,150
ACCESS LINES(BUSINESS)	0	0	0	0	0	175	224	209
ACCESS LINES(PUBLIC)	0	0	0	0	0	16	16	18
ACCESS LINES(TOTAL)	0	0	0	0	0	1,423	1,376	1,377

TABLE 5.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

05 ELLENSBURG TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$18,467,361	$19,676,920	$20,139,181	$22,322,336	$22,706,905	$22,424,979	$23,383,613	$24,035,168
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	0	0	100,030	299,158	0	0	104,654	2,363,169
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	5,658,147	6,480,440	6,772,577	7,829,458	6,442,551	7,089,318	8,063,549	8,597,460
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$12,809,214	$13,196,480	$13,466,634	$14,792,036	$16,264,354	$15,335,661	$15,424,718	$17,800,877
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	0	0	0	0	792	0	0	0
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	8,731	43,217	54,737
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	262,120
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$0	$0	$0	$0	$792	$8,731	$43,217	$316,857
CURRENT ASSETS									
113	CASH	$26,812	$15,987	($52,722)	($213,888)	$1,354	$612,590	$209,811	$150,975
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	405	605	705	705	705	705	705	705
116	TEMPORARY CASH INVESTMENTS	600,000	1,700,000	2,226,559	2,346,195	2,748,415	5,334,658	8,202,726	8,634,762
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	69,707	43,099	62,748	76,603	70,991	166,166	206,744	497,807
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
120.2	OTHER ACCOUNTS RECEIVABLE	42,625	41,155	492,520	261,542	295,736	227,579	29,074	10,223
121	INTEREST AND DIVIDENDS RECEIVABLE	2,250	12,700	26,807	24,748	46,327	122,348	78,747	56,458
122	MATERIAL AND SUPPLIES	236,312	115,049	95,501	135,049	157,624	197,624	238,713	186,010
123	OTHER CURRENT ASSETS	0	0	0	0	0	0	0	0
	TOTAL CURRENT ASSETS	$978,111	$1,928,595	$2,852,118	$2,630,954	$3,321,152	$6,661,670	$8,966,520	$9,536,940
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	2,640	0	0	0	0	0	0	0
131	PREPAID INSURANCE	69,035	95,748	104,798	117,507	127,148	106,366	196,050	110,060
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	0	0	0	0	0	0	0	0
135	DISCOUNT ON LONG-TERM DEBT	12,999	11,923	10,846	9,770	8,693	7,616	6,540	5,545
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$84,674	$107,671	$115,644	$127,277	$135,841	$113,982	$202,590	$115,605
	TOTAL ASSETS AND OTHER DEBITS	$13,871,999	$15,232,746	$16,434,396	$17,550,267	$19,722,139	$22,120,044	$24,637,045	$27,770,279

TABLE 5.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

05 ELLENSBURG TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$3,416,440	$3,591,180	$3,769,570	$3,967,200	$4,203,560	$4,443,550	$4,664,360	$5,129,800
152	PREMIUM ON CAPITAL STOCK	1,258,733	1,590,739	1,929,680	2,325,940	2,869,568	3,421,545	3,951,489	5,161,633
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	3,019,011	3,706,844	4,356,875	4,451,284	4,925,070	6,032,839	7,178,520	7,902,829
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$7,694,184	$8,888,763	$10,056,125	$10,744,424	$11,998,198	$13,897,934	$15,794,369	$18,194,262
LONG-TERM DEBT									
151.1	FUNDED DEBT	$3,775,250	$3,702,500	$3,629,750	$3,557,000	$3,484,250	$3,411,500	$3,338,750	$3,266,000
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$3,775,250	$3,702,500	$3,629,750	$3,557,000	$3,484,250	$3,411,500	$3,338,750	$3,266,000
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	90,000	72,750	254,356	107,079	72,750	72,750
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	190,221	133,987	118,259	334,079	121,521	196,930	770,348	1,244,650
160	CUSTOMERS' DEPOSITS	22,884	45,655	68,831	87,878	89,849	81,102	54,433	53,496
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	200,746	215,971	139,124	186,360	213,701	207,599	213,749	224,747
166	TAXES ACCRUED	392,185	426,855	238,645	54,105	599,025	686,242	224,275	(206,164)
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	36,712	36,033	35,342	34,652	33,703	33,272	32,582	0
	TOTAL CURRENT AND ACCRUED LIABILITIES	$842,748	$858,501	$690,201	$769,824	$1,312,155	$1,312,224	$1,368,137	31,893
DEFERRED CREDITS AND OPERATING RESERVES									$1,421,372
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	710,300	769,513	838,574	1,002,805	1,208,022	1,176,733	1,183,607	1,261,345
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	849,516	1,013,470	1,219,746	1,476,214	1,719,514	2,321,653	2,952,182	3,627,300
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$1,559,816	$1,782,983	$2,058,320	$2,479,019	$2,927,536	$3,498,386	$4,135,789	$4,888,645
	TOTAL LIABILITIES AND OTHER CREDITS	$13,871,998	$15,232,747	$16,434,396	$17,550,267	$19,722,139	$22,120,044	$24,637,045	$27,770,279

TABLE 5.3

BLOCK3 -- INCOME AND RETAINED EARNINGS
AUGUST 2, 1987

05 ELLENSBURG TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$1,572,574	$1,658,228	$1,533,054	$1,103,474	$1,777,587	$2,354,300	$2,445,372	2,303,407
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$1,572,574	$1,658,228	$1,533,054	$1,103,474	$1,777,587	$2,354,300	$2,445,372	$2,303,407
INTEREST CHARGED TO CONSTRUCTION	0	0	3,695	1,141	0	0	0	0
OTHER INCOME	39,933	120,287	332,036	304,976	267,968	501,754	631,284	566,352
MISCELLANEOUS DEDUCTIONS FROM INCOME	1,531	805	805	850	133,670	236,169	304,975	159,575
INTEREST ON FUNDED DEBT	248,967	244,335	239,688	235,052	230,417	225,781	221,145	216,509
OTHER FIXED CHARGES	3,021	3,297	6,347	7,909	15,816	25,999	19,626	5,396
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	610,149
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$293,452	$368,724	$582,571	$549,928	$647,871	$989,703	$2,530,910	$3,098,428
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$2,378,205	$3,019,011	$3,706,844	$4,356,874	$4,451,284	$4,925,071	$6,032,839	$7,178,520
CREDITS: NET INCOME(AS ABOVE)	$1,358,988	$1,530,079	$1,621,946	$1,165,780	$1,665,652	$2,368,105	$2,530,910	3,098,428
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$1,358,988	$1,530,079	$1,621,946	$1,165,780	$1,665,652	$2,368,105	$2,530,910	$3,098,428
DEBITS: DIVIDEND APPROPRIATIONS	$718,181	$842,246	$971,914	$1,071,370	$1,191,866	$1,260,337	$1,385,229	2,374,119
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$718,181	$842,246	$971,914	$1,071,370	$1,191,866	$1,260,337	$1,385,229	$2,374,119
BALANCE AT END OF YEAR	$3,019,012	$3,706,844	$4,356,876	$4,451,284	$4,925,070	$6,032,839	$7,178,520	$7,902,829

TABLE 5.4

BLOCK4: NET INCOME & PLANT STATS.
AUGUST 2, 1987

05 ELLENSBURG TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$2,176,233	$2,311,856	$2,424,227	$2,412,766	$2,707,931	$2,716,964	$2,753,276	$2,591,474
ACCESS REVENUES	0	0	0	0	0	144,592	0	5,663,418
TOLL SERVICE	3,022,823	3,526,778	4,029,889	3,996,972	5,286,548	5,811,541	5,772,860	(414)
MISCELLANEOUS	126,401	124,779	170,706	151,202	164,734	165,857	298,473	940,651
UNCOLLECTIBLES - DEBIT	46,354	51,236	42,353	26,440	25,531	29,149	76,729	16,096
TOTAL OPERATING REVENUES	$5,279,103	$5,912,177	$6,582,469	$6,534,500	$8,133,682	$8,809,805	$8,747,879	$9,179,033
OPERATING REVENUE EXPENSES								
MAINTENANCE	$591,813	$681,337	$931,268	$1,107,539	$1,526,836	$1,076,732	$946,556	$1,177,410
DEPRECIATION AND AMORTIZATION	803,097	993,486	1,172,887	1,547,507	1,723,502	1,693,370	1,403,688	1,479,778
TRAFFIC	245,632	275,187	297,592	304,410	364,347	349,159	381,621	408,721
COMMERCIAL	199,108	221,034	271,610	296,968	272,380	320,766	422,063	482,755
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	279,826	302,688	404,104	452,262	482,226	558,527	633,185	648,826
OTHER OPERATING EXPENSES	194,621	208,077	270,400	293,191	323,456	343,743	249,510	331,260
TOTAL OPERATING REVENUE EXPENSES	$2,314,097	$2,681,809	$3,347,861	$4,001,877	$4,692,747	$4,342,297	$4,036,623	$4,528,750
INVESTMENT CREDIT - NET	$115,868	$59,213	$69,061	$164,231	$205,217	($31,249)	($120,316)	($133,520)
FEDERAL INCOME TAXES	664,032	911,833	949,663	546,301	758,783	1,143,391	1,316,259	1,339,902
OTHER OPERATING TAXES	402,431	437,141	476,554	462,149	456,048	398,436	437,884	465,376
OPERATING FED.INCOME TAX DEFER - ACC.DEP	210,100	163,954	206,276	256,468	243,300	602,129	632,057	675,118
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$1,392,431	$1,572,141	$1,701,554	$1,429,149	$1,663,348	$2,113,207	$2,265,884	$2,346,876
TOTAL OPERATING REV DEDUCTIONS	$3,706,528	$4,253,950	$5,049,415	$5,431,026	$6,356,095	$6,455,504	$6,302,507	$6,875,626
NET OPERATING INCOME	$1,572,574	$1,658,228	$1,533,055	$1,103,474	$1,777,587	$2,354,300	$2,445,372	$2,303,407
100.1 TELEPHONE PLANT IN SERVICE	$18,467,361	$19,676,920	$20,139,181	$22,322,337	$22,706,905	$22,424,979	$23,383,613	24,035,168
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	5,658,147	6,480,440	6,772,577	7,829,458	6,442,551	7,089,318	8,063,549	8,597,460
NET TELEPHONE PLANT END OF YEAR(DEC)	$12,809,214	$13,196,480	$13,366,604	$14,492,879	$16,264,354	$15,335,661	$15,320,064	$15,437,708
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	144,675	137,863	137,722	149,164	141,370	149,445	152,525	160,998
AERIAL WIRE	1,584	1,326	903	901	1,011	1,012	923	1,058
UNDERGROUND CONDUIT (SINGLE DUCT)	78	81	82	83	85	87	89	92
CARRIER CHANNEL(TELEPHONE)	4,112	4,317	4,317	4,528	4,528	4,528	4,748	4,843
NUMBER OF POLES	10,407	10,262	11,021	9,456	10,918	10,935	10,917	10,857
NUMBER OF CENTRAL OFFICES	5	5	5	5	5	5	5	5
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	10,337	10,537	10,870
ACCESS LINES(BUSINESS)	0	0	0	0	0	2,159	2,038	2,067
ACCESS LINES(PUBLIC)	0	0	0	0	0	121	121	159
ACCESS LINES(TOTAL)	0	0	0	0	0	12,617	12,696	13,096

TABLE 6.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

06 GENERAL TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

	1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT								
100.1 TELEPHONE PLANT IN SERVICE	$1,002,774,821	$1,203,625,390	$1,331,218,475	$1,400,414,380	$1,433,037,589	$1,514,415,063	$1,617,270,573	$1,713,662,077
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	125,921,626	95,341,434	81,174,244	82,770,219	108,746,660	90,390,505	70,372,207	71,106,861
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	3,158,642	97,260	0	0	0	0	0	0
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	(79,512)	0	0	0
171 LESS: DEPRECIATION RESERVE	187,491,192	207,196,838	224,488,015	265,529,495	335,427,852	375,118,815	407,908,380	458,807,568
172 AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
TOTAL NET TELEPHONE PLANT	$944,363,897	$1,091,867,246	$1,187,904,704	$1,217,655,104	$1,206,276,885	$1,229,686,753	$1,279,734,401	$1,325,961,370
INVESTMENTS AND FUNDS								
101.1 INVESTMENTS IN AFFILIATED COMPANIES	$2,329,400	$2,329,400	$2,329,400	$2,329,400	$2,329,400	$2,329,400	$2,329,400	$2,329,400
101.2 ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102 OTHER INVESTMENTS	9,475	9,475	9,475	9,475	6,175	6,175	6,175	6,175
103 MISCELLANEOUS PHYSICAL PROPERTY	174,528	4,539,958	4,533,696	4,860,777	8,768,100	9,483,120	4,434,130	3,128,528
104 SINKING FUNDS(EXCLUDING OWN ISSUES)	250	0	0	0	0	0	0	0
106 NONREGULATED INVESTMENT	0	0	0	0	0	0	11,618,610	25,654,929
136 PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
TOTAL INVESTMENTS AND FUNDS	$2,513,653	$6,878,833	$6,872,571	$7,199,652	$11,103,675	$11,818,695	$18,388,315	$31,119,032
CURRENT ASSETS								
113 CASH	($7,871,628)	$40,643	$41,000	$35,000	$43,000	$18,000	$445,125	$0
114 SPECIAL CASH DEPOSITS	68,594	0	0	19,276	33,117	4,400	4,300	0
115 WORKING FUNDS	297,620	515,196	228,635	278,912	185,144	182,894	209,716	271,725
116 TEMPORARY CASH INVESTMENTS	9,500,000	0	0	0	0	0	0	0
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	2,260,000	3,430,000	4,116,000	3,645,000	23,720,000	18,522,000	2,292,000	2,438,000
117.2 OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118 DUE FROM CUSTOMERS AND AGENTS	34,556,674	37,408,918	44,889,283	44,703,427	47,600,842	52,134,019	75,086,432	79,664,092
120.1 ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	1,527,470	509,438	500,278	1,441,950	291,875	(1,063,587)	2,589,049	1,654,796
120.2 OTHER ACCOUNTS RECEIVABLE	5,375,930	13,464,808	5,874,208	9,376,716	5,117,395	6,764,789	12,360,435	9,244,819
121 INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	260,174	36,770	0
122 MATERIAL AND SUPPLIES	21,323,217	20,739,418	8,707,150	4,364,356	5,354,183	2,963,302	4,029,424	4,142,634
123 OTHER CURRENT ASSETS	0	0	0	0	0	3,940,402	0	0
TOTAL CURRENT ASSETS	$67,037,877	$76,108,421	$64,356,554	$63,864,637	$82,345,556	$83,726,393	$97,053,250	$97,416,066
PREPAID ACCOUNTS AND DEFERRED CHARGES								
129 PREPAID RENTS	$0	$35,076	$20,524	$43,137	$37,197	$49,526	$175,587	$181,113
130 PREPAID TAXES	18,124	20,588	21,745	139,101	297,874	127,347	146,084	266,771
131 PREPAID INSURANCE	218,670	248,466	216,348	162,496	219,273	907,123	600,066	499,970
132 PREPAID DIRECTORY EXPENSESS	337,924	258,022	345,514	375,992	275,666	338,520	295,121	378,371
133 OTHER PREPAYMENTS	239,340	94,461	133,321	49,738	0	(88)	257,303	331,447
135 DISCOUNT ON LONG-TERM DEBT	3,436,671	4,885,638	4,634,358	4,387,006	4,095,975	3,787,302	3,575,747	22,775,737
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139 OTHER DEFERRED CHARGES	3,471,287	3,819,593	3,195,611	4,072,622	3,544,388	5,050,011	4,584,239	3,158,937
TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$7,722,016	$9,361,844	$8,567,421	$9,230,092	$8,470,373	$10,259,741	$9,634,148	$27,592,346
TOTAL ASSETS AND OTHER DEBITS	$1,021,637,443	$1,184,216,344	$1,267,701,250	$1,297,949,485	$1,308,196,489	$1,335,491,582	$1,404,810,113	$1,482,088,814

TABLE 6.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

06 GENERAL TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$319,000,000	$358,200,000	$401,709,200	$401,589,200	$389,550,200	$389,344,200	$396,719,200	$383,219,200
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAPITAL	0	0	0	0	1,593,264	2,155,621	2,249,361	2,249,361
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	80,033,110	93,694,534	105,589,635	119,049,912	133,739,134	144,483,381	170,843,879	200,109,049
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$399,033,110	$451,894,534	$507,298,835	$520,639,112	$524,882,598	$535,983,202	$559,812,440	$585,577,610
LONG-TERM DEBT									
151.1	FUNDED DEBT	$387,479,000	$478,804,000	$458,129,000	$453,689,000	$441,602,000	$402,703,000	$388,814,000	$402,230,000
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$387,479,000	$478,804,000	$458,129,000	$453,689,000	$441,602,000	$402,703,000	$388,814,000	$402,230,000
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	42,459,000	20,900,000	26,450,000	10,500,000	0	0	35,500,000	39,000,000
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	14,857,216	12,146,943	10,650,956	10,461,832	9,869,031	11,385,106	10,138,804	13,173,610
159.2	OTHER ACCOUNTS PAYABLE	16,820,044	22,005,470	18,225,878	17,955,809	23,024,042	52,201,007	64,623,376	59,176,587
160	CUSTOMERS' DEPOSITS	257,756	756,318	1,228,602	1,242,672	1,232,096	1,213,171	1,024,160	699,405
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	5,478,992	5,951,869	6,697,505	7,379,878	7,936,826	8,448,099	9,147,909	10,045,554
165	OTHER CURRENT LIABILITIES	4,388,076	5,816,407	6,260,502	7,649,230	10,029,193	23,095,897	25,264,814	17,589,147
166	TAXES ACCRUED	7,488,929	(4,567,679)	8,552,914	12,493,349	18,206,548	19,173,266	7,226,038	38,720,279
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	17,724,006	24,516,492	28,160,357	28,823,699	30,506,147	13,873,931	13,858,476	10,855,637
	TOTAL CURRENT AND ACCRUED LIABILITIES	$109,474,017	$87,525,821	$106,226,713	$96,506,469	$100,803,883	$129,390,477	$166,783,576	$189,260,219
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	1,956,987	2,113,061	993,452	2,399,940	2,907,985	3,393,388	3,638,082	3,833,037
174	OTHER DEFERRED CREDITS	49,602,616	69,419,539	77,675,447	79,396,107	78,654,065	88,295,050	84,065,022	83,851,738
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	73,530,674	93,925,279	117,424,481	145,372,365	159,403,200	175,787,441	201,761,705	209,558,829
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	561,039	534,110	(46,677)	(53,508)	(57,242)	(60,976)	(64,711)	7,777,382
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$125,651,316	$165,991,988	$196,046,703	$227,114,904	$240,908,008	$267,414,903	$289,400,098	$305,020,986
	TOTAL LIABILITIES AND OTHER CREDITS	$1,021,637,443	$1,184,216,343	$1,267,701,251	$1,297,949,485	$1,308,196,489	$1,335,491,582	$1,404,810,113	$1,482,088,815

TABLE 6.3

BLOCK3 -- INCOME AND RETAINED EARNINGS
AUGUST 2, 1987

06 GENERAL TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$39,004,734	$51,788,442	$56,592,120	$61,520,752	$59,926,642	$66,189,704	$72,352,500	$76,150,532
-OTHER STATES	34,372,015	41,230,783	48,010,253	47,732,911	49,711,469	49,892,603	52,789,467	47,614,723
TOTAL NET OPERATING INCOME	$73,376,749	$93,019,225	$104,602,373	$109,253,663	$109,638,111	$116,082,307	$125,141,967	$123,765,255
INTEREST CHARGED TO CONSTRUCTION	3,452,582	2,927,140	2,345,081	4,545,666	8,058,448	8,798,119	4,202,824	2,886,429
OTHER INCOME	655,988	2,000,957	2,787,941	1,195,795	1,727,867	377,401	908,548	(3,376,463)
MISCELLANEOUS DEDUCTIONS FROM INCOME	587,613	1,396,950	2,051,548	641,621	693,854	177,877	633,281	479,181
INTEREST ON FUNDED DEBT	26,027,457	38,346,646	44,459,796	42,572,510	41,858,866	38,451,430	37,331,626	35,476,125
OTHER FIXED CHARGES	6,105,163	7,668,795	3,788,978	4,706,638	834,075	1,994,564	(438,500)	2,852,660
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	162,341	931,738	474,596	533,730	607,282	1,690,969	(2,229)	43,328
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	33,500	385,456	168,762	252,984	288,191	805,591	15	21,393
NET INCOME	$44,893,927	$51,081,213	$59,740,907	$67,355,101	$76,356,722	$85,519,334	$92,724,688	$84,489,190
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$67,739,368	$80,033,110	$93,694,534	$105,589,635	$119,049,911	$133,739,134	$144,483,381	$170,843,879
CREDITS: NET INCOME(AS ABOVE)	$44,893,928	$51,081,213	$59,740,907	$67,355,101	$76,356,722	$85,519,334	$92,724,688	84,489,190
OTHER CREDITS	0	68,588	423,589	25,350	0	0	0	0
TOTAL CREDITS	$44,893,928	$51,149,800	$60,164,496	$67,380,451	$76,356,722	$85,519,334	$92,724,688	$84,489,190
DEBITS: DIVIDEND APPROPRIATIONS	$32,427,111	$37,484,188	$48,269,395	$53,920,175	$61,667,499	$74,257,404	$66,364,190	55,224,020
OTHER DEBITS	173,075	4,188	0	0	0	517,683	0	0
TOTAL DEBITS	$32,600,186	$37,488,376	$48,269,395	$53,920,175	$61,667,499	$74,775,087	$66,364,190	$55,224,020
BALANCE AT END OF YEAR	$80,033,110	$93,694,534	$105,589,635	$119,049,911	$133,739,134	$144,483,381	$170,843,879	$200,109,049

TABLE 6.4

BLOCK4: NET INCOME & PLANT STATS.
AUGUST 2, 1987

06 GENERAL TELEPHONE COMPANY -- WASHINGTON STATE OPERATIONS ONLY
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$80,094,478	$92,556,771	$99,398,527	$119,383,805	$120,722,945	$121,859,252	$123,471,671	$132,778,644
ACCESS REVENUES	0	0	0	0	0	83,996,934	99,865,656	104,677,905
TOLL SERVICE	94,701,562	115,951,647	138,651,059	155,023,474	157,404,117	61,952,029	69,578,971	88,477,579
MISCELLANEOUS	5,187,843	6,289,763	7,578,616	8,751,448	17,798,605	40,933,619	47,149,652	45,689,763
UNCOLLECTIBLES - DEBIT	332,556	401,839	2,357,245	3,070,720	1,764,464	1,578,084	1,777,184	3,206,579
TOTAL OPERATING REVENUES	$179,651,327	$214,396,342	$243,270,957	$280,088,007	$294,161,203	$307,163,750	$338,288,766	$368,417,312
OPERATING REVENUE EXPENSES								
MAINTENANCE	$42,476,126	$44,017,359	$48,753,310	$57,503,019	$56,906,504	$55,159,777	$58,208,848	$59,568,245
DEPRECIATION AND AMORTIZATION	32,130,632	39,330,785	44,268,346	52,501,202	57,852,447	58,907,631	59,843,506	73,948,533
TRAFFIC	8,012,306	8,314,508	8,303,353	9,379,159	9,691,910	9,587,222	8,116,935	8,055,840
COMMERCIAL	14,225,439	15,762,543	17,100,369	18,148,642	26,567,333	30,432,279	35,027,807	38,350,445
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	11,742,321	14,441,645	17,108,713	20,095,844	18,309,855	18,553,081	20,942,427	22,193,789
OTHER OPERATING EXPENSES	10,409,749	12,744,258	15,425,307	19,656,399	21,816,690	24,417,119	27,764,551	35,308,026
TOTAL OPERATING REVENUE EXPENSES	$118,996,573	$134,611,098	$150,959,398	$177,284,265	$191,144,739	$197,057,109	$209,904,075	$237,424,878
INVESTMENT CREDIT - NET	$7,320,555	$11,889,465	$6,921,082	$1,762,508	($300,498)	$3,130,333	$3,490,745	($3,675,806)
FEDERAL INCOME TAXES	(6,499,262)	(11,942,431)	(3,240,756)	3,176,666	16,530,054	13,236,565	15,128,638	22,241,806
OTHER OPERATING TAXES	12,367,796	16,136,337	19,669,020	21,127,732	21,039,409	18,439,620	20,332,804	22,405,560
OPERATING FED.INCOME TAX DEFER - ACC.DEP	8,594,302	12,345,397	14,960,288	17,094,550	9,698,341	16,812,464	23,511,774	19,289,466
OPER.FED. INCOME TAX DEFER - OTHER	0	0	(314,247)	290,210	1,152	0	0	4,243,023
INC. CREDITS FROM PRIOR FED. TAXES	133,370	431,965	2,275,949	2,168,676	3,878,636	7,702,045	6,431,770	(9,662,146)
TOTAL OPERATING TAXES	$21,650,021	$27,996,803	$35,719,438	$41,282,990	$43,089,822	$43,916,937	$56,032,191	$54,841,903
TOTAL OPERATING REV DEDUCTIONS	$140,646,594	$162,607,901	$186,678,836	$218,567,255	$234,234,561	$240,974,046	$265,936,266	$292,266,781
NET OPERATING INCOME	$39,004,733	$51,788,441	$56,592,121	$61,520,752	$59,926,642	$66,189,704	$72,352,500	$76,150,531
100.1 TELEPHONE PLANT IN SERVICE	$561,371,102	$686,088,195	$743,524,727	$777,882,551	$794,667,377	$826,795,063	$889,539,573	945,911,233
100.3 PROPERTY HELD FOR FUTURE USE	2,497,380	46,048	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	108,505,168	127,521,152	131,680,376	151,516,495	187,471,056	194,224,722	207,276,522	246,732,966
NET TELEPHONE PLANT END OF YEAR(DEC)	$455,363,314	$558,613,091	$611,844,351	$626,366,056	$607,196,321	$632,570,341	$682,263,051	$699,178,267
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	3,110,404	3,685,652	3,914,802	3,994,536	4,068,302	4,140,159	4,247,463	4,388,378
AERIAL WIRE	4,830	4,430	4,312	4,200	4,043	4,012	3,932	3,835
UNDERGROUND CONDUIT (SINGLE DUCT)	2,157	2,221	2,191	2,232	2,248	2,285	2,411	2,561
CARRIER CHANNEL(TELEPHONE)	467,824	623,734	758,379	790,941	801,295	818,424	885,835	908,825
NUMBER OF POLES	126,050	131,497	131,801	131,191	130,867	131,633	131,192	130,186
NUMBER OF CENTRAL OFFICES	71	73	74	74	73	75	75	75
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	312,914	325,487	340,126
ACCESS LINES(BUSINESS)	0	0	0	0	0	76,256	88,972	96,022
ACCESS LINES(PUBLIC)	0	0	0	0	0	3,288	3,517	3,765
ACCESS LINES(TOTAL)	0	0	0	0	0	392,458	417,976	439,913

TABLE 7.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

07 HAT ISLAND TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

	1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT								
100.1 TELEPHONE PLANT IN SERVICE	$32,855	$36,382	$81,474	$75,801	$99,724	$115,925	$134,590	$142,562
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	0	0	0	0	0	0	0	0
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171 LESS: DEPRECIATION RESERVE	11,732	13,056	14,398	11,951	14,363	17,314	20,933	24,873
172 AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
TOTAL NET TELEPHONE PLANT	$21,123	$23,326	$67,076	$63,850	$85,361	$98,611	$113,657	$117,689
INVESTMENTS AND FUNDS								
101.1 INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2 ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102 OTHER INVESTMENTS	0	0	5,062	5,062	5,062	5,062	5,062	5,062
103 MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	0	0	0
104 SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106 NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136 PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
TOTAL INVESTMENTS AND FUNDS	$0	$0	$5,062	$5,062	$5,062	$5,062	$5,062	$5,062
CURRENT ASSETS								
113 CASH	$603	$3,332	$1,872	$14,347	$414	$5,045	$5,720	$6,707
114 SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115 WORKING FUNDS	0	0	0	0	0	0	0	0
116 TEMPORARY CASH INVESTMENTS	0	0	0	0	22,184	2,001	6,645	6,122
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2 OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118 DUE FROM CUSTOMERS AND AGENTS	511	263	1,900	514	1,954	982	481	418
120.1 ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	2,202	0	0	0	0	0	0	0
120.2 OTHER ACCOUNTS RECEIVABLE	0	0	0	0	0	5,039	7,130	3,515
121 INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122 MATERIAL AND SUPPLIES	0	0	0	0	0	0	0	0
123 OTHER CURRENT ASSETS	0	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	$3,316	$3,595	$3,772	$14,861	$24,552	$13,067	$19,976	$16,762
PREPAID ACCOUNTS AND DEFERRED CHARGES								
129 PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130 PREPAID TAXES	0	0	0	0	0	0	0	0
131 PREPAID INSURANCE	0	0	0	0	0	0	0	0
132 PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133 OTHER PREPAYMENTS	0	0	0	0	0	0	0	0
135 DISCOUNT ON LONG-TERM DEBT	0	0	0	0	0	0	0	0
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139 OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL ASSETS AND OTHER DEBITS	$24,439	$26,921	$75,910	$83,773	$114,975	$116,740	$138,695	$139,513

TABLE 7.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

07 HAT ISLAND TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

STOCKHOLDERS EQUITY	1979	1980	1981	1982	1983	1984	1985	1986
150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
152 PREMIUM ON CAPITAL STOCK	0	0	15,400	15,400	2,000	0	0	0
179 OTHER CAPITAL	0	0	0	0	0	0	0	0
180 RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181 UNAPPROPRIATED RETAINED EARNINGS	4,422	4,065	1,612	4,024	84,957	84,739	101,191	105,549
134.1 LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2 CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
TOTAL NET STOCKHOLDERS' EQUITY	$8,422	$8,065	$21,012	$23,424	$90,957	$88,739	$105,191	$109,549
LONG-TERM DEBT								
151.1 FUNDED DEBT	$0	$0	$0	$0	$0	$0	$0	$0
156 ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157 OTHER LONG-TERM DEBT	0	0	19,139	17,661	16,004	14,150	12,076	3,161
TOTAL LONG-TERM DEBT	$0	$0	$19,139	$17,661	$16,004	$14,150	$12,076	$3,161
CURRENT AND ACCRUED LIABILITIES								
158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2 OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	14,779	18,522	29,310	36,019	7,424	12,503	20,720	25,898
159.2 OTHER ACCOUNTS PAYABLE	0	0	6,000	6,000	0	787	0	233
160 CUSTOMERS' DEPOSITS	0	0	0	0	0	0	0	0
162 MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163 MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164 ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165 OTHER CURRENT LIABILITIES	1,200	0	0	0	0	0	0	0
166 TAXES ACCRUED	39	334	449	669	590	561	708	672
167 UNMATURED INTEREST, DIV. & RENTS ACCRUED	0	0	0	0	0	0	0	0
TOTAL CURRENT AND ACCRUED LIABILITIES	$16,018	$18,856	$35,759	$42,688	$8,014	$13,851	$21,428	$26,803
DEFERRED CREDITS AND OPERATING RESERVES								
168 PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169 INSURANCE RESERVES	0	0	0	0	0	0	0	0
170 PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174 OTHER DEFERRED CREDITS	0	0	0	0	0	0	0	0
176.1 ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	0	0	0	0	0	0	0	0
176.2 ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
TOTAL DEFERRED CREDITS & OPERATING RESERVES	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL LIABILITIES AND OTHER CREDITS	$24,440	$26,921	$75,910	$83,773	$114,975	$116,740	$138,695	$139,513

TABLE 7.3

BLOCK3 -- INCOME AND RETAINED EARNINGS
AUGUST 2, 1987

07 HAT ISLAND TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$1,111	($357)	($1,029)	$4,475	$11,898	$35,812	$45,677	$38,437
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$1,111	($357)	($1,029)	$4,475	$11,898	$35,812	$45,677	$38,437
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	0
OTHER INCOME	0	0	0	29	952	1,139	573	1,422
MISCELLANEOUS DEDUCTIONS FROM INCOME	0	0	0	0	0	0	0	0
INTEREST ON FUNDED DEBT	0	0	0	0	0	0	0	0
OTHER FIXED CHARGES	0	0	1,424	2,092	1,917	1,719	1,499	0
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$1,111	($357)	($2,453)	$2,412	$10,933	$35,232	$44,751	$39,859
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$8,311	$4,422	$4,065	$1,612	$4,024	$84,957	$84,739	$101,191
CREDITS: NET INCOME(AS ABOVE)	$1,111	($357)	($2,453)	$2,412	$10,933	$35,232	$44,751	39,859
OTHER CREDITS	0	0	0	0	70,000	0	0	0
TOTAL CREDITS	$1,111	($357)	($2,453)	$2,412	$80,933	$35,232	$44,751	$39,859
DEBITS: DIVIDEND APPROPRIATIONS	$5,000	$0	$0	$0	$0	$35,450	$28,299	$35,501
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$5,000	$0	$0	$0	$0	$35,450	$28,299	$35,501
BALANCE AT END OF YEAR	$4,422	$4,065	$1,612	$4,024	$84,957	$84,739	$101,191	$105,549

TABLE 7.4

1 BLOCK4: NET INCOME & PLANT STATS.
2 AUGUST 2, 1987

07 HAT ISLAND TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$2,639	$3,121	$5,934	$5,570	$6,351	$6,741	$6,916	$7,459
ACCESS REVENUES	0	0	0	0	0	23,207	52,722	43,761
TOLL SERVICE	4,649	9,080	6,332	18,673	20,458	12,043	193	597
MISCELLANEOUS	0	0	0	714	2,054	69	856	1,574
UNCOLLECTIBLES - DEBIT	0	0	0	924	0	0	0	0
TOTAL OPERATING REVENUES	$7,288	$12,201	$12,266	$24,033	$28,863	$42,060	$60,687	$53,391
OPERATING REVENUE EXPENSES								
MAINTENANCE	$2,586	$4,658	$2,882	$2,389	$4,947	($5,653)	$2,763	$850
DEPRECIATION AND AMORTIZATION	1,059	1,324	2,118	5,600	2,412	2,951	3,469	3,940
TRAFFIC	675	845	1,015	1,576	1,476	1,211	1,047	1,390
COMMERCIAL	0	0	0	0	0	0	0	0
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	1,583	5,193	6,391	8,676	6,995	6,033	6,409	7,333
OTHER OPERATING EXPENSES	164	136	314	428	459	1,507	533	500
TOTAL OPERATING REVENUE EXPENSES	$6,067	$12,156	$12,720	$18,669	$16,289	$6,049	$14,221	$14,013
INVESTMENT CREDIT - NET	$0	$0	$0	$0	$0	$0	$0	$0
FEDERAL INCOME TAXES	0	0	0	0	0	0	0	0
OTHER OPERATING TAXES	110	402	575	889	676	199	789	941
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	0	0	0	0	0	0
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$110	$402	$575	$889	$676	$199	$789	$941
TOTAL OPERATING REV DEDUCTIONS	$6,177	$12,558	$13,295	$19,558	$16,965	$6,248	$15,010	$14,954
NET OPERATING INCOME	$1,111	($357)	($1,029)	$4,475	$11,898	$35,812	$45,677	$38,437
100.1 TELEPHONE PLANT IN SERVICE	$32,855	$36,382	$81,474	$75,801	$99,724	$115,925	$134,590	142,562
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	11,732	13,056	14,398	11,951	14,363	17,314	20,933	24,873
NET TELEPHONE PLANT END OF YEAR(DEC)	$21,123	$23,326	$67,076	$63,850	$85,361	$98,611	$113,657	$117,689
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	340	345	379	257	257	257	292	292
AERIAL WIRE	0	0	0	0	0	0	0	0
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0
CARRIER CHANNEL(TELEPHONE)	0	0	0	0	0	0	0	0
NUMBER OF POLES	0	0	0	1	1	1	1	1
NUMBER OF CENTRAL OFFICES	0	0	0	0	0	0	0	0
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	36	37	41
ACCESS LINES(BUSINESS)	0	0	0	0	0	1	1	0
ACCESS LINES(PUBLIC)	0	0	0	0	0	1	1	1
ACCESS LINES(TOTAL)	0	0	0	0	0	38	39	42

TABLE 8.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

08 HOOD CANAL TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$362,436	$1,481,405	$1,515,570	$1,626,953	$1,681,862	$1,731,284	$1,789,649	$1,831,610
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	909,611	5,675	37,935	3,893	739	8,939	0	0
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	130,474	70,908	125,000	177,853	264,384	353,740	440,192	539,163
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$1,141,573	$1,416,172	$1,428,505	$1,452,993	$1,418,217	$1,386,483	$1,349,457	$1,292,447
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	0	0	6,180	6,180	6,180	6,180	6,180	6,180
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	11,915	121,513	112,537	117,254	140,268	284,496
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$0	$0	$18,095	$127,693	$118,717	$123,434	$146,448	$290,676
CURRENT ASSETS									
113	CASH	$357,498	$17,385	$3,477	$7,054	$25,741	$71,730	$113,049	$100,171
114	SPECIAL CASH DEPOSITS	20,000	50,000	0	0	0	0	0	0
115	WORKING FUNDS	0	0	0	0	0	0	0	0
116	TEMPORARY CASH INVESTMENTS	0	0	154,780	51,526	43,339	226,771	304,076	459,508
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	16,719	19,519	23,973	24,018	24,020	21,880	24,533	20,504
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
120.2	OTHER ACCOUNTS RECEIVABLE	0	1,967	4,526	5,041	121,393	50,798	30,857	29,506
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	4,161	2,233	3,609	1,629	2,636	3,275	3,058	4,036
123	OTHER CURRENT ASSETS	0	0	0	2,738	5,801	2,642	2,227	892
	TOTAL CURRENT ASSETS	$398,378	$91,104	$190,365	$92,006	$222,930	$377,096	$477,800	$614,617
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	0	0	0	0	0	0	0	0
131	PREPAID INSURANCE	4,858	1,703	1,745	2,558	2,882	2,556	3,300	4,297
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	0	0	0	0	0	0	0	0
135	DISCOUNT ON LONG-TERM DEBT	5,853	5,685	5,517	5,349	5,181	5,013	4,845	4,677
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$10,711	$7,388	$7,262	$7,907	$8,063	$7,569	$8,145	$8,974
	TOTAL ASSETS AND OTHER DEBITS	$1,550,662	$1,514,664	$1,644,227	$1,680,599	$1,767,927	$1,894,582	$1,981,850	$2,206,714

TABLE 8.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

08 HOOD CANAL TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAPITAL	839	839	839	839	839	839	839	839
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	158,947	199,574	270,815	307,609	379,462	483,893	583,381	771,894
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$209,786	$250,413	$321,654	$358,448	$430,301	$534,732	$634,220	$822,733
LONG-TERM DEBT									
151.1	FUNDED DEBT	$855,000	$1,172,000	$1,188,113	$1,214,867	$1,197,971	$1,180,221	$1,161,548	$1,141,930
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$855,000	$1,172,000	$1,188,113	$1,214,867	$1,197,971	$1,180,221	$1,161,548	$1,141,930
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	471,570	56,029	61,477	17,568	22,987	31,575	15,844	27,426
160	CUSTOMERS' DEPOSITS	175	865	1,875	2,515	3,578	3,393	3,618	2,370
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	4,600	9,026	4,703	23,612	29,188	31,845	23,594	29,380
166	TAXES ACCRUED	1,202	4,884	11,118	1,294	1,546	404	1,567	20,237
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	0	0	137	212	180	80	10,214	10,260
	TOTAL CURRENT AND ACCRUED LIABILITIES	$477,547	$70,804	$79,310	$45,201	$57,479	$67,297	$54,837	$89,673
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	5,159	18,792	47,257	55,841	67,212	83,671	90,722	100,790
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	3,170	2,655	7,893	6,242	14,964	28,661	40,523	51,588
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$8,329	$21,447	$55,150	$62,083	$82,176	$112,332	$131,245	$152,378
	TOTAL LIABILITIES AND OTHER CREDITS	$1,550,662	$1,514,664	$1,644,227	$1,680,599	$1,767,927	$1,894,582	$1,981,850	$2,206,714

TABLE 8.3

BLOCK 3:
AUGUST 2, 1987

08 HOOD CANAL TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$84,527	$94,471	$110,788	$102,253	$131,607	$144,266	$114,785	$143,330
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$84,527	$94,471	$110,788	$102,253	$131,607	$144,266	$114,785	$143,330
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	0
OTHER INCOME	188	2,379	20,307	(3,554)	1,767	24,965	50,286	105,677
MISCELLANEOUS DEDUCTIONS FROM INCOME	0	0	166	683	469	4,706	(3,702)	(7,810)
INTEREST ON FUNDED DEBT	9,621	55,145	59,154	60,696	60,411	59,557	58,634	57,689
OTHER FIXED CHARGES	2,396	1,078	534	430	594	537	651	615
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$72,698	$40,627	$71,241	$36,890	$71,900	$104,431	$109,488	$198,513
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$86,265	$158,947	$199,574	$270,815	$307,609	$379,462	$483,893	$583,381
CREDITS: NET INCOME(AS ABOVE)	$72,698	$40,627	$71,241	$36,890	$71,900	$104,431	$109,488	198,513
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$72,698	$40,627	$71,241	$36,890	$71,900	$104,431	$109,488	$198,513
DEBITS: DIVIDEND APPROPRIATIONS	$0	$0	$0	$0	$0	$0	$10,000	10,000
OTHER DEBITS	16	0	0	96	47	0	0	0
TOTAL DEBITS	$16	$0	$0	$96	$47	$0	$10,000	$10,000
BALANCE AT END OF YEAR	$158,947	$199,574	$270,815	$307,609	$379,462	$483,893	$583,381	$771,894

TABLE 8.4

BLOCK 4: 08 HOOD CANAL TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
AUGUST 2, 1987 NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$52,488	$58,495	$72,504	$76,472	$93,402	$105,283	$94,476	$95,015
ACCESS REVENUES	0	0	0	0	0	0	385,334	531,757
TOLL SERVICE	135,054	293,959	415,314	421,263	497,383	525,624	124,429	42,909
MISCELLANEOUS	0	0	3,999	6,469	9,298	2,095	33,723	(2,166)
UNCOLLECTIBLES - DEBIT	1,875	3,062	2,011	2,644	1,500	1,500	487	325
TOTAL OPERATING REVENUES	$185,667	$349,392	$489,806	$501,560	$598,493	$631,502	$637,475	$667,190
OPERATING REVENUE EXPENSES								
MAINTENANCE	$19,925	$50,530	$52,154	$80,923	$92,989	$93,195	$110,583	$88,462
DEPRECIATION AND AMORTIZATION	17,280	64,427	97,081	84,183	84,950	86,957	89,538	90,707
TRAFFIC	917	676	1,316	4,283	1,777	2,559	1,947	(211)
COMMERCIAL	8,793	15,011	14,016	23,134	27,757	21,733	22,837	21,818
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	30,667	59,480	107,162	116,757	142,424	171,955	177,389	192,915
OTHER OPERATING EXPENSES	12,187	31,589	37,302	48,735	65,097	57,577	67,097	48,046
TOTAL OPERATING REVENUE EXPENSES	$89,769	$221,713	$309,031	$358,015	$414,994	$433,976	$469,391	$441,737
INVESTMENT CREDIT - NET	$5,174	$14,612	$31,334	$8,584	$11,371	$15,388	$8,122	$10,068
FEDERAL INCOME TAXES	0	3,517	933	491	652	459	239	27,498
OTHER OPERATING TAXES	9,961	15,593	32,483	33,868	31,147	26,830	29,962	33,492
OPERATING FED.INCOME TAX DEFER - ACC.DEP	(3,764)	(514)	5,237	(1,651)	8,722	10,583	14,976	11,065
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$11,371	$33,208	$69,987	$41,292	$51,892	$53,260	$53,299	$82,123
TOTAL OPERATING REV DEDUCTIONS	$101,140	$254,921	$379,018	$399,307	$466,886	$487,236	$522,690	$523,860
NET OPERATING INCOME	$84,527	$94,471	$110,788	$102,253	$131,607	$144,266	$114,785	$143,330
100.1 TELEPHONE PLANT IN SERVICE	$362,436	$1,481,405	$1,515,570	$1,626,953	$1,681,862	$1,731,284	$1,789,649	1,831,610
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	130,474	70,908	125,000	177,853	264,384	353,740	440,192	539,163
NET TELEPHONE PLANT END OF YEAR(DEC)	$231,962	$1,410,497	$1,390,570	$1,449,100	$1,417,478	$1,377,544	$1,349,457	$1,292,447
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	0	0	3,826	3,876	3,877	3,877	3,885	3,891
AERIAL WIRE	0	0	0	0	0	0	0	0
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0
CARRIER CHANNEL(TELEPHONE)	166	220	348	348	348	348	348	348
NUMBER OF POLES	395	21	21	21	21	21	21	21
NUMBER OF CENTRAL OFFICES	1	1	1	1	1	1	1	1
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	506	497	559
ACCESS LINES(BUSINESS)	0	0	0	0	0	54	85	65
ACCESS LINES(PUBLIC)	0	0	0	0	0	10	9	7
ACCESS LINES(TOTAL)	0	0	0	0	566	570	591	631

TABLE 9.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

09 INLAND (INCLUDING PRESCOTT) TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$2,142,991	$2,754,591	$3,284,996	$3,434,582	$3,489,404	$4,082,920	$4,513,149	$5,089,409
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	186,224	29,205	0	99,024	371,711	132,318	59,583	30,948
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	151,058	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	706,941	813,341	810,771	954,975	1,113,070	1,172,154	1,365,947	1,339,404
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$1,622,274	$1,970,455	$2,625,283	$2,578,631	$2,748,045	$3,043,084	$3,206,785	$3,780,953
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	17,450	19,068	25,406	25,406	25,406	28,557	28,636	31,516
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	0	0	75,905
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$17,450	$19,068	$25,406	$25,406	$25,406	$28,557	$28,636	$107,421
CURRENT ASSETS									
113	CASH	$11,017	$83,003	$123,894	$148,305	$208,270	$206,578	$131,941	$524,676
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	0	0	0	0	0	0	0	0
116	TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	0
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	30,017	30,315	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	47,155	56,116	58,913	60,606	41,059	75,947	91,400	87,627
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	7,526	9,294	66,082	137,670	0	0	54,474
120.2	OTHER ACCOUNTS RECEIVABLE	126,799	121,422	66,045	182,053	77,347	231,230	194,743	88,512
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	142,354	84,024	72,742	65,574	158,055	225,838	149,305	81,763
123	OTHER CURRENT ASSETS	29,449	32,262	35,214	38,133	41,605	45,050	48,649	52,637
	TOTAL CURRENT ASSETS	$356,774	$384,353	$366,102	$590,770	$694,321	$784,643	$616,038	$889,689
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$447	$865	$825	$799	$759	$719	$776	$600
130	PREPAID TAXES	0	2,800	500	0	2,000	2,000	0	0
131	PREPAID INSURANCE	63	63	63	63	62	62	744	8,695
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	2,841	38,376	89,543	48,257	48,311	95,922	3,474	0
135	DISCOUNT ON LONG-TERM DEBT	5,072	4,746	4,419	4,092	3,766	3,439	5,729	7,412
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	455	2,693	0	0	0
139	OTHER DEFERRED CHARGES	7,524	5,082	1,486	1,486	2,956	2,956	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$15,947	$51,932	$96,836	$55,152	$60,547	$105,098	$10,723	$16,707
	TOTAL ASSETS AND OTHER DEBITS	$2,012,445	$2,425,808	$3,113,627	$3,249,959	$3,528,319	$3,961,382	$3,862,182	$4,794,770

TABLE 9.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

09 INLAND (INCLUDING PRESCOTT) TELEPHONE - TOTAL COMPANY OPERAT
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$93,150	$93,150	$93,150	$93,150	$93,150	$93,150	$93,150	$93,150
152	PREMIUM ON CAPITAL STOCK	7,175	7,175	7,175	7,175	7,175	7,175	7,175	7,175
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	548,605	643,100	742,557	861,561	875,308	922,168	1,087,505	1,395,999
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	250	250	250	250	250	250	250	250
	TOTAL NET STOCKHOLDERS' EQUITY	$648,680	$743,175	$842,632	$961,636	$975,383	$1,022,243	$1,187,580	$1,496,074
LONG-TERM DEBT									
151.1	FUNDED DEBT	$1,153,987	$1,448,076	$1,642,701	$1,902,256	$2,019,756	$2,250,921	$2,270,641	$2,467,577
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$1,153,987	$1,448,076	$1,642,701	$1,902,256	$2,019,756	$2,250,921	$2,270,641	$2,467,577
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	40,000	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	11,428	14,063	14,897	16,897	18,247	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	15,026	42,439	279,905	28,624	159,539	343,968	54,054	174,740
160	CUSTOMERS' DEPOSITS	1,795	3,103	3,030	3,539	2,734	4,000	4,867	5,225
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	28,507	36,536	108,303	82,403	93,317	41,070	90,912	194,013
166	TAXES ACCRUED	42,118	4,471	5,875	8,897	9,933	7,959	14,110	41,861
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	0	0	0	5,047	5,030	4,600	4,600	4,500
	TOTAL CURRENT AND ACCRUED LIABILITIES	$138,874	$100,612	$412,010	$145,407	$288,800	$401,597	$168,543	$420,339
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	54,562	106,814	169,782	171,905	163,629	198,739	105,339	203,260
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	15,995	26,666	45,704	67,376	79,173	85,048	126,015	202,380
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	343	462	799	1,379	1,578	2,834	4,064	5,140
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$70,901	$133,942	$216,285	$240,660	$244,380	$286,621	$235,418	$410,780
	TOTAL LIABILITIES AND OTHER CREDITS	$2,012,442	$2,425,805	$3,113,628	$3,249,959	$3,528,319	$3,961,382	$3,862,182	$4,794,770

TABLE 9.3

BLOCK3 -- INCOME AND RETAINED EARNINGS
AUGUST 2, 1987

09 INLAND (INCLUDING PRESCOTT) TELEPHONE -- TOTAL COMPANY OPERA
INCOME AND RETAINED EARNINGS STATEMENT

	1979	1980	1981	1982	1983	1984	1985	1986
NET INCOME								
NET OPERATING INCOME -WASHINGTON	$126,551	$89,230	$132,218	$112,436	$50,378	$93,655	$178,810	$348,150
-OTHER STATES	21,262	28,761	5,778	45,019	23,948	25,642	74,220	56,683
TOTAL NET OPERATING INCOME	$147,813	$117,991	$137,996	$157,455	$74,326	$119,297	$253,030	$404,833
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	
OTHER INCOME	8,376	4,944	1,451	10,051	13,441	4,574	1,153	(9,578)
MISCELLANEOUS DEDUCTIONS FROM INCOME	(2,162)	(19,649)	(14,726)	(21,918)	2,990	1,105	1,478	1,590
INTEREST ON FUNDED DEBT	20,159	44,680	52,771	68,340	68,887	73,878	75,874	83,009
OTHER FIXED CHARGES	3,915	3,411	1,944	2,080	2,143	2,029	11,494	2,162
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$134,277	$94,493	$99,458	$119,004	$13,747	$46,859	$165,337	$308,494
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$414,328	$548,605	$643,098	$742,556	$861,561	$875,309	$922,168	$1,087,505
CREDITS: NET INCOME(AS ABOVE)	$134,277	$94,493	$99,458	$119,004	$13,747	$46,859	$165,337	308,494
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$134,277	$94,493	$99,458	$119,004	$13,747	$46,859	$165,337	$308,494
DEBITS: DIVIDEND APPROPRIATIONS	$0	$0	$0	$0	$0	$0	$0	$0
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$0	$0	$0	$0	$0	$0	$0	$0
BALANCE AT END OF YEAR	$548,605	$643,098	$742,556	$861,561	$875,309	$922,168	$1,087,505	$1,395,999

TABLE 9.4

BLOCK4: NET INCOME & PLANT STATS.
STATE
AUGUST 6, 1987

09 INLAND (INCLUDING PRESCOTT) TELEPHONE COMPANY -- WASHINGTON STATE OPERATIONS ONLY
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$186,169	$191,471	$192,595	$212,858	$282,312	$292,278	$335,594	$322,064
ACCESS REVENUES	0	0	0	0	0	637,833	704,718	1,052,022
TOLL SERVICE	512,149	523,804	610,895	709,148	653,209	127,568	(14,121)	(2,686)
MISCELLANEOUS	16,068	45,692	44,353	28,244	19,939	51,199	74,162	188,756
UNCOLLECTIBLES - DEBIT	3,558	3,895	7,017	8,293	4,481	6,338	4,552	(891)
TOTAL OPERATING REVENUES	$710,828	$757,072	$840,826	$941,957	$950,979	$1,102,540	$1,095,801	$1,561,047
OPERATING REVENUE EXPENSES								
MAINTENANCE	$104,857	$133,559	$137,074	$188,679	$250,468	$246,992	$197,724	$241,195
DEPRECIATION AND AMORTIZATION	65,091	84,334	103,607	122,017	130,399	140,095	150,494	162,841
TRAFFIC	2,319	3,891	5,003	9,370	4,267	6,618	2,576	819
COMMERCIAL	49,649	51,584	59,819	58,179	54,870	64,756	59,502	74,153
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	203,521	247,726	252,533	275,347	327,095	419,937	318,094	362,781
OTHER OPERATING EXPENSES	40,891	48,939	55,832	58,118	67,026	78,413	86,172	122,376
TOTAL OPERATING REVENUE EXPENSES	$466,328	$570,033	$613,868	$711,710	$834,125	$956,811	$814,562	$964,165
INVESTMENT CREDIT - NET	$14,487	$49,063	$42,638	($1,510)	($7,079)	($15,945)	$2,591	$94,905
FEDERAL INCOME TAXES	42,919	(15,825)	(23,574)	40,920	(3,067)	(1,658)	0	12,454
OTHER OPERATING TAXES	55,325	55,267	62,211	64,315	67,172	65,866	62,277	78,982
OPERATING FED.INCOME TAX DEFER - ACC.DEP	5,202	9,293	13,437	14,051	9,437	3,899	37,561	62,391
OPER.FED. INCOME TAX DEFER - OTHER	13	11	28	35	13	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$117,946	$97,809	$94,740	$117,811	$66,476	$52,074	$102,429	$248,732
TOTAL OPERATING REV DEDUCTIONS	$584,274	$667,842	$708,608	$829,521	$900,601	$1,008,885	$916,991	$1,212,897
NET OPERATING INCOME	$126,554	$89,230	$132,218	$112,436	$50,378	$93,655	$178,810	$348,150
100.1 TELEPHONE PLANT IN SERVICE	$1,816,761	$2,387,993	$2,686,290	$2,776,288	$2,847,838	$3,393,749	$3,796,870	4,166,589
100.3 PROPERTY HELD FOR FUTURE USE	0	0	123,682	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	609,912	702,447	683,621	800,158	952,633	1,007,505	1,164,684	1,105,295
NET TELEPHONE PLANT END OF YEAR(DEC)	$1,206,849	$1,685,546	$2,126,351	$1,976,130	$1,895,205	$2,386,244	$2,632,186	$3,063,294
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	9,866	12,529	13,654	14,510	17,221	19,422	21,775	22,767
AERIAL WIRE	0	0	0	0	1	1	1	1
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	2	2	2
CARRIER CHANNEL(TELEPHONE)	794	820	820	820	236	0	0	0
NUMBER OF POLES	378	392	391	391	391	391	391	391
NUMBER OF CENTRAL OFFICES	3	3	3	3	3	4	4	4
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,204	1,221	1,123
ACCESS LINES(BUSINESS)	0	0	0	0	0	148	102	154
ACCESS LINES(PUBLIC)	0	0	0	0	0	6	9	9
ACCESS LINES(TOTAL)	0	0	0	0	1,344	1,358	1,332	1,286

TABLE 10.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

10 INTER-ISLAND TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$3,634,777	$4,905,602	$6,021,773	$6,592,202	$8,285,897	$8,929,065	$9,308,737	$10,391,448
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	550,441	495,698	74,378	421,953	702,852	667,667	1,574,575	946,980
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	891,777	1,115,009	1,257,410	1,689,680	2,433,004	2,868,265	3,303,257	3,013,164
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$3,293,441	$4,286,291	$4,838,741	$5,324,475	$6,555,745	$6,728,467	$7,580,055	$8,325,264
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$188,100	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	17,725	210,799	189,130	188,100	188,100	188,100	213,611	188,100
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	60	0	0
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	720,648
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$205,825	$210,799	$189,130	$188,100	$188,100	$188,160	$213,611	$908,748
CURRENT ASSETS									
113	CASH	$356,065	$363,528	$150,635	$23,973	$244,604	$15,083	$16,241	$261,657
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	0	300	300	300	250	125	0	0
116	TEMPORARY CASH INVESTMENTS	0	133,290	659,000	0	0	0	0	0
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	143,407	191,061	257,245	208,293	304,982	336,964	412,676	556,493
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	193,361	440,234	1,381,790	1,576,011	190,610
120.2	OTHER ACCOUNTS RECEIVABLE	7,310	7,875	5,460	264,425	276,449	3,477	6,136	30,743
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	48,095	55,342	57,018	57,289	94,862	117,930	203,970	244,450
123	OTHER CURRENT ASSETS	0	0	0	0	0	0	0	0
	TOTAL CURRENT ASSETS	$554,877	$751,396	$1,129,658	$747,641	$1,361,381	$1,855,369	$2,215,034	$1,283,953
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	79,882	0	0	0	0	0	0	0
131	PREPAID INSURANCE	7,830	6,442	6,641	728	0	0	138	1,885
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	25	566	0	0
133	OTHER PREPAYMENTS	677	822	1,889	0	0	0	0	0
135	DISCOUNT ON LONG-TERM DEBT	6,135	6,135	6,135	0	5,939	5,742	5,546	8,951
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	6,135	0	0	0	0
139	OTHER DEFERRED CHARGES	89,745	67,540	0	397	0	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$184,269	$80,939	$14,665	$7,260	$5,964	$6,308	$5,684	$10,836
	TOTAL ASSETS AND OTHER DEBITS	$4,238,412	$5,329,425	$6,172,194	$6,267,476	$8,111,190	$8,778,304	$10,014,384	$10,528,801

TABLE 10.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

10 INTER-ISLAND TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$50,000	$50,000	$50,000	$48,970	$48,970	$48,970	$48,970	$48,970
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAPITAL	53,763	53,763	0	0	1,254,490	1,254,490	1,254,490	1,254,490
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	1,014,494	1,310,487	1,745,628	1,794,661	1,958,343	2,246,643	2,442,110	2,703,018
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$1,118,257	$1,414,250	$1,795,628	$1,843,631	$3,261,803	$3,550,103	$3,745,570	$4,006,478
LONG-TERM DEBT									
151.1	FUNDED DEBT	$2,671,072	$3,318,472	$3,584,593	$3,559,286	$3,746,743	$3,875,528	$3,833,963	$4,373,589
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$2,671,072	$3,318,472	$3,584,593	$3,559,286	$3,746,743	$3,875,528	$3,833,963	$4,373,589
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	180,283	45,308	20,991
159.2	OTHER ACCOUNTS PAYABLE	179,928	175,376	261,573	186,926	151,539	0	870,483	457,656
160	CUSTOMERS' DEPOSITS	1,673	1,450	0	1,181	7,310	1,838	626	3,964
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	33,073	34,450	28,035	58,328	70,166	78,034	79,229	88,372
165	OTHER CURRENT LIABILITIES	0	12,414	17,896	0	0	0	1,653	0
166	TAXES ACCRUED	8,771	52,277	18,782	42,621	58,640	93,385	295,890	64,379
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	40,181	38,822	41,952	41,958	48,153	46,718	44,800	44,000
	TOTAL CURRENT AND ACCRUED LIABILITIES	$263,626	$314,789	$368,238	$331,014	$335,808	$400,258	$1,337,989	$679,362
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	185,457	281,914	372,651	446,245	565,736	609,315	617,762	794,272
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	0	0	51,084	124,000	239,800	397,800	551,800	770,800
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	(36,700)	(38,700)	(54,700)	(72,700)	(95,700)
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$185,457	$281,914	$423,735	$533,545	$766,836	$952,415	$1,096,862	$1,469,372
	TOTAL LIABILITIES AND OTHER CREDITS	$4,238,412	$5,329,425	$6,172,194	$6,267,476	$8,111,190	$8,778,304	$10,014,384	$10,528,801

TABLE 10.3

BLOCK3 -- INCOME AND RETAINED EARNINGS
AUGUST 2, 1987

10 INTER-ISLAND TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

	1979	1980	1981	1982	1983	1984	1985	1986
NET INCOME								
NET OPERATING INCOME -WASHINGTON	$393,528	$510,137	$546,490	$559,693	$675,136	$849,053	$898,172	$844,445
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$393,528	$510,137	$546,490	$559,693	$675,136	$849,053	$898,172	$844,445
INTEREST CHARGED TO CONSTRUCTION	1,556	0	0	0	0	0	0	0
OTHER INCOME	0	8,277	80,203	11,524	7,782	6,912	17,803	395
MISCELLANEOUS DEDUCTIONS FROM INCOME	11,743	6,768	8,637	0	0	0	0	0
INTEREST ON FUNDED DEBT	103,606	215,551	237,753	250,416	256,973	266,544	269,060	282,744
OTHER FIXED CHARGES	14,490	102	158	1,768	12,263	1,121	1,448	1,188
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	(54,429)	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	(25,037)	0	0	0	0	0	0	0
NET INCOME	$344,711	$295,993	$380,145	$319,033	$413,682	$588,300	$645,467	$560,908
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$760,916	$1,014,494	$1,310,487	$1,745,628	$1,794,661	$1,958,343	$2,246,643	$2,442,110
CREDITS: NET INCOME(AS ABOVE)	$344,711	$295,993	$380,145	$319,033	$413,682	$588,300	$645,467	560,908
OTHER CREDITS	17,725	0	84,336	0	0	0	0	0
TOTAL CREDITS	$253,578	$295,993	$464,481	$319,033	$413,682	$588,300	$645,467	$560,908
DEBITS: DIVIDEND APPROPRIATIONS	$0	$0	$0	$270,000	$250,000	$300,000	$450,000	$300,000
OTHER DEBITS	0	0	29,340	0	0	0	0	0
TOTAL DEBITS	$0	$0	$29,340	$270,000	$250,000	$300,000	$450,000	$300,000
BALANCE AT END OF YEAR	$1,014,494	$1,310,487	$1,745,628	$1,794,661	$1,958,343	$2,246,643	$2,442,110	$2,703,018

TABLE 10.4

BLOCK4: NET INCOME & PLANT STATS.
AUGUST 2, 1987

10 INTER-ISLAND TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$441,587	$478,195	$526,512	$579,123	$716,026	$791,189	$790,502	$838,480
ACCESS REVENUES	0	0	0	0	0	2,527,513	2,651,863	2,817,492
TOLL SERVICE	747,215	1,075,594	1,372,386	1,696,994	2,189,223	36,880	56,484	0
MISCELLANEOUS	92,486	116,759	128,558	122,069	200,695	340,564	393,016	507,372
UNCOLLECTIBLES - DEBIT	4,594	2,974	4,688	26,359	17,203	20,988	2,838	3,773
TOTAL OPERATING REVENUES	$1,276,694	$1,667,574	$2,022,768	$2,371,827	$3,088,741	$3,675,158	$3,889,027	$4,159,571
OPERATING REVENUE EXPENSES								
MAINTENANCE	$201,067	$279,086	$349,881	$509,882	$604,556	$707,231	$767,553	$984,303
DEPRECIATION AND AMORTIZATION	162,457	227,159	278,929	394,520	503,485	487,500	456,488	453,549
TRAFFIC	8,839	7,044	6,837	27,692	43,304	37,780	56,037	117,122
COMMERCIAL	131,613	175,890	132,515	161,370	231,960	239,971	245,514	262,339
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	104,263	134,629	218,285	236,934	447,549	646,294	651,704	730,689
OTHER OPERATING EXPENSES	51,273	60,967	134,057	123,133	166,091	134,536	211,602	185,197
TOTAL OPERATING REVENUE EXPENSES	$659,512	$884,775	$1,120,504	$1,453,531	$1,996,945	$2,253,312	$2,388,898	$2,733,199
INVESTMENT CREDIT - NET	$102,200	$96,457	$90,737	$37,400	$6,000	$26,000	($5,000)	$123,000
FEDERAL INCOME TAXES	51,656	85,661	101,001	146,400	272,000	272,000	355,000	97,000
OTHER OPERATING TAXES	69,798	90,544	112,952	140,503	126,660	132,793	115,957	165,927
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	51,084	71,000	14,000	158,000	154,000	219,000
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	(36,700)	(2,000)	(16,000)	(18,000)	(23,000)
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$223,654	$272,662	$355,774	$358,603	$416,660	$572,793	$601,957	$581,927
TOTAL OPERATING REV DEDUCTIONS	$883,166	$1,157,437	$1,476,278	$1,812,134	$2,413,605	$2,826,105	$2,990,855	$3,315,126
NET OPERATING INCOME	$393,528	$510,137	$546,490	$559,693	$675,136	$849,053	$898,172	$844,445
100.1 TELEPHONE PLANT IN SERVICE	$3,634,777	$4,905,602	$6,021,773	$6,592,202	$8,285,897	$8,929,065	$9,308,737	10,391,448
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	891,777	1,115,009	1,257,410	1,689,680	2,433,004	2,868,265	3,303,257	3,013,164
NET TELEPHONE PLANT END OF YEAR(DEC)	$2,743,000	$3,790,593	$4,764,363	$4,902,522	$5,852,893	$6,060,800	$6,005,480	$7,378,284
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	14,737	30,871	31,426	32,508	38,280	40,272	40,699	41,138
AERIAL WIRE	97	90	84	79	115	104	93	90
UNDERGROUND CONDUIT (SINGLE DUCT)	2	2	3	2	3	3	4	4
CARRIER CHANNEL(TELEPHONE)	1,400	1,508	1,664	1,664	4,446	4,446	4,590	4,603
NUMBER OF POLES	647	575	553	485	709	665	631	630
NUMBER OF CENTRAL OFFICES	3	3	3	3	4	4	4	4
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	4,114	4,262	4,464
ACCESS LINES(BUSINESS)	0	0	0	0	0	1,280	1,398	1,547
ACCESS LINES(PUBLIC)	0	0	0	0	0	80	80	82
ACCESS LINES(TOTAL)	0	0	0	0	5,443	5,474	5,740	6,093

TABLE 11.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

11 KALAMA TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$2,635,693	$3,076,796	$3,330,045	$3,468,207	$3,683,260	$3,754,197	$3,348,750	$3,422,437
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	63,885	22,533	4,094	0	15,008	0	9,936	20,579
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	1,013,009	835,018	1,040,151	1,223,970	1,359,016	1,587,263	1,405,253	1,533,790
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$1,686,569	$2,264,311	$2,293,988	$2,244,237	$2,339,252	$2,166,934	$1,953,433	$1,909,226
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	100,000	0
102	OTHER INVESTMENTS	14,656	17,360	24,097	26,543	27,769	28,623	33,473	33,686
103	MISCELLANEOUS PHYSICAL PROPERTY	0	56,500	30,276	29,966	0	15,630	55,529	69,212
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$14,656	$73,860	$54,373	$56,509	$27,769	$44,253	$189,002	$102,898
CURRENT ASSETS									
113	CASH	$30,169	$27,659	$29,949	$28,635	$244,652	$355,057	$397,026	$64,795
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	0	0	0	0	0	0	0	0
116	TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	460,900
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	49,564	61,856	63,937	71,146	85,858	111,497	195,631	104,974
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
120.2	OTHER ACCOUNTS RECEIVABLE	26,192	29,631	22,535	56,239	22,000	27,399	21,292	20,751
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	41,720	15,423	16,425	17,285	13,475	8,351	13,333	28,909
123	OTHER CURRENT ASSETS	0	0	0	4,292	20,407	35,406	15,021	27,777
	TOTAL CURRENT ASSETS	$147,645	$134,569	$132,846	$177,597	$386,392	$537,710	$642,303	$708,106
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	12,017	55,634	5,658	0	0	0	0	29,801
131	PREPAID INSURANCE	8,269	4,894	5,050	5,064	5,250	5,810	7,382	8,335
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	0	0	0	0	0	0	0	0
135	DISCOUNT ON LONG-TERM DEBT	2,306	5,146	4,640	4,134	3,628	3,122	2,616	2,110
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$22,592	$65,674	$15,348	$9,198	$8,878	$8,932	$9,998	$40,246
	TOTAL ASSETS AND OTHER DEBITS	$1,871,462	$2,538,414	$2,496,555	$2,487,541	$2,762,291	$2,757,829	$2,794,736	$2,760,476

TABLE 11.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

11 KALAMA TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	937,367	1,081,577	1,174,382	1,265,113	1,467,285	1,637,675	1,840,666	1,841,353
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$972,367	$1,116,577	$1,209,382	$1,300,113	$1,502,285	$1,672,675	$1,875,666	$1,876,353
LONG-TERM DEBT									
151.1	FUNDED DEBT	$380,948	$1,100,000	$1,008,330	$898,326	$788,322	$678,318	$568,314	$507,887
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$380,948	$1,100,000	$1,008,330	$898,326	$788,322	$678,318	$568,314	$507,887
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$45,000	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	315,000	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	95,912	152,355	35,144	15,405	68,764	36,324	26,397	75,289
160	CUSTOMERS' DEPOSITS	2,679	3,316	4,458	4,878	4,488	4,450	4,465	4,150
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	33,792	43,761	41,351	69,972	73,601	76,816	47,877	54,257
166	TAXES ACCRUED	9,017	16,107	12,953	30,949	110,126	43,194	35,451	3,788
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	9,451	13,369	11,820	10,531	9,694	8,721	7,525	5,124
	TOTAL CURRENT AND ACCRUED LIABILITIES	$465,851	$228,908	$150,726	$131,735	$266,673	$169,505	$121,715	$142,608
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	52,296	92,929	112,644	118,919	134,232	130,146	108,968	99,113
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	0	0	15,473	38,448	70,779	107,185	120,073	134,515
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$52,296	$92,929	$128,117	$157,367	$205,011	$237,331	$229,041	$233,628
	TOTAL LIABILITIES AND OTHER CREDITS	$1,871,462	$2,538,414	$2,496,555	$2,487,541	$2,762,291	$2,757,829	$2,794,736	$2,760,476

TABLE 11.3

BLOCK 3: -- INCOME AND RETAINED EARNINGS
AUGUST 2, 1987

11 KALAMA TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$183,121	$278,000	$243,976	$255,760	$359,270	$309,485	$308,126	$264,027
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$183,121	$278,000	$243,976	$255,760	$359,270	$309,485	$308,126	$264,027
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	0
OTHER INCOME	2,770	2,159	4,666	(5,605)	(13,003)	8,105	58,876	(32,311)
MISCELLANEOUS DEDUCTIONS FROM INCOME	1,630	1,690	1,815	2,082	(7,229)	(7,801)	15,298	(29,258)
INTEREST ON FUNDED DEBT	38,713	85,858	132,599	119,097	105,381	92,930	78,580	52,673
OTHER FIXED CHARGES	26,575	34,401	7,423	6,745	3,943	3,271	2,933	1,914
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$118,973	$158,210	$106,805	$122,231	$244,172	$229,190	$270,191	$206,387
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$839,394	$937,367	$1,081,577	$1,174,382	$1,265,113	$1,467,285	$1,637,675	$1,840,666
CREDITS: NET INCOME(AS ABOVE)	$118,973	$158,210	$106,805	$122,231	$244,172	$229,190	$270,191	206,387
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$118,973	$158,210	$106,805	$122,231	$244,172	$229,190	$270,191	$206,387
DEBITS: DIVIDEND APPROPRIATIONS	$21,000	$14,000	$14,000	$31,500	$42,000	$58,800	$67,200	$205,700
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$21,000	$14,000	$14,000	$31,500	$42,000	$58,800	$67,200	$205,700
BALANCE AT END OF YEAR	$937,367	$1,081,577	$1,174,382	$1,265,113	$1,467,285	$1,637,675	$1,840,666	$1,841,353

TABLE 11.4

BLOCK 4:
AUGUST 2, 1987

11 KALAMA TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$256,820	$268,438	$287,532	$338,948	$371,831	$392,685	$274,070	$331,038
ACCESS REVENUES	0	0	0	0	0	0	585,336	370,480
TOLL SERVICE	537,227	661,094	790,932	840,231	990,431	1,011,167	256,435	372,970
MISCELLANEOUS	9,846	8,162	9,732	15,594	28,288	17,945	91,523	70,472
UNCOLLECTIBLES - DEBIT	4,566	5,506	4,500	4,500	4,500	4,500	11,709	6,370
TOTAL OPERATING REVENUES	$799,327	$932,188	$1,083,696	$1,190,273	$1,386,050	$1,417,297	$1,195,655	$1,138,590
OPERATING REVENUE EXPENSES								
MAINTENANCE	$91,598	$100,593	$135,247	$177,932	$164,788	$194,582	$105,708	$108,784
DEPRECIATION AND AMORTIZATION	149,843	162,971	212,689	198,100	202,279	214,440	173,672	162,952
TRAFFIC	3,780	3,681	3,616	10,841	4,059	5,683	3,780	(906)
COMMERCIAL	38,800	46,277	53,313	68,379	75,468	74,494	72,167	70,369
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	155,488	173,006	226,167	254,842	222,634	244,247	222,984	219,793
OTHER OPERATING EXPENSES	106,580	103,157	101,130	98,281	113,502	127,115	117,036	109,557
TOTAL OPERATING REVENUE EXPENSES	$546,089	$589,685	$732,162	$808,375	$782,730	$860,561	$695,347	$670,549
INVESTMENT CREDIT - NET	$8,594	$40,633	$18,032	$6,275	$15,313	($4,086)	($21,178)	($9,855)
FEDERAL INCOME TAXES	15,122	(34,360)	11,064	28,615	131,773	155,260	152,724	151,839
OTHER OPERATING TAXES	46,401	58,230	62,989	68,273	64,633	59,671	47,748	47,588
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	15,473	22,975	32,331	36,406	12,888	14,442
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$70,117	$64,503	$107,558	$126,138	$244,050	$247,251	$192,182	$204,014
TOTAL OPERATING REV DEDUCTIONS	$616,206	$654,188	$839,720	$934,513	$1,026,780	$1,107,812	$887,529	$874,563
NET OPERATING INCOME	$183,121	$278,000	$243,976	$255,760	$359,270	$309,485	$308,126	$264,027
100.1 TELEPHONE PLANT IN SERVICE	$2,635,693	$3,076,796	$3,330,045	$3,468,207	$3,683,260	$3,754,197	$3,348,750	3,422,437
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	1,013,009	835,018	1,040,151	1,223,970	1,359,016	1,587,263	1,405,253	1,909,226
NET TELEPHONE PLANT END OF YEAR(DEC)	$1,622,684	$2,241,778	$2,289,894	$2,244,237	$2,324,244	$2,166,934	$1,943,497	$1,513,211
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	7,196	7,226	7,386	8,736	10,241	10,947	10,992	11,154
AERIAL WIRE	22	22	22	17	17	17	17	9
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0
CARRIER CHANNEL(TELEPHONE)	865	898	898	898	898	898	898	898
NUMBER OF POLES	849	849	847	821	799	781	778	762
NUMBER OF CENTRAL OFFICES	1	1	1	1	1	1	1	1
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,207	1,216	1,230
ACCESS LINES(BUSINESS)	0	0	0	0	0	394	362	377
ACCESS LINES(PUBLIC)	0	0	0	0	0	22	26	26
ACCESS LINES(TOTAL)	0	0	0	0	0	1,623	1,604	1,633

TABLE 12.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

12 LEWIS RIVER TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$3,206,572	$3,705,974	$3,700,001	$4,237,645	$4,346,644	$4,605,558	$5,024,199	$5,286,455
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	22,788	27,180	34,576	188,496	19,724	2,547	4,482	57,143
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	4,858	3,129	243	1,651	1,651	1,651	1,651	1,651
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	728,222	551,612	534,699	873,750	917,220	1,179,529	1,463,791	1,586,604
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$2,505,996	$3,184,671	$3,200,121	$3,554,042	$3,450,799	$3,430,227	$3,566,541	$3,758,645
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	69,750	101,750	112,972	115,250	118,050	131,097	129,168	145,856
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	0	0	0
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$69,750	$101,750	$112,972	$115,250	$118,050	$131,097	$129,168	$145,856
CURRENT ASSETS									
113	CASH	$42,940	$91,709	$69,588	$89,708	$72,445	$341,202	$188,384	$33,873
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	250	250	250	250	250	250	250	350
116	TEMPORARY CASH INVESTMENTS	125,735	213,877	356,404	309,203	545,621	824,545	547,995	730,344
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	92,353	99,876	110,176	108,754	140,863	137,628	172,984	167,798
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	500,000	15,853
120.2	OTHER ACCOUNTS RECEIVABLE	(49,300)	62,438	45,815	61,362	65,535	117,182	(21,759)	63,466
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	38,457	47,635	28,400	34,737	38,391	37,929	58,132	53,283
123	OTHER CURRENT ASSETS	0	0	0	0	0	0	0	0
	TOTAL CURRENT ASSETS	$250,435	$515,785	$610,633	$604,014	$863,105	$1,458,736	$1,445,986	$1,064,967
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	0	0	0	0	0	0	0	0
131	PREPAID INSURANCE	4,655	6,211	4,950	4,891	4,630	5,500	6,125	7,577
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	0	0	0	0	0	0	0	0
135	DISCOUNT ON LONG-TERM DEBT	2,670	2,590	2,510	2,430	2,350	2,270	2,185	2,100
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$7,325	$8,801	$7,460	$7,321	$6,980	$7,770	$8,310	$9,677
	TOTAL ASSETS AND OTHER DEBITS	$2,833,506	$3,811,007	$3,931,186	$4,280,627	$4,438,934	$5,027,830	$5,150,005	$4,979,145

TABLE 12.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

12 LEWIS RIVER TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000
152	PREMIUM ON CAPITAL STOCK	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	1,157,865	1,360,278	1,504,737	1,756,759	1,959,589	2,303,986	2,559,750	2,326,367
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$1,197,865	$1,400,278	$1,544,737	$1,796,759	$1,999,589	$2,343,986	$2,599,750	$2,366,367
LONG-TERM DEBT									
151.1	FUNDED DEBT	$1,349,041	$1,846,999	$1,816,895	$1,784,800	$1,747,565	$1,708,859	$1,650,292	$1,606,822
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$1,349,041	$1,846,999	$1,816,895	$1,784,800	$1,747,565	$1,708,859	$1,650,292	$1,606,822
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	18,953	75,057	30,362	21,719	46,857	36,687	104,185	46,149
160	CUSTOMERS' DEPOSITS	4,975	6,110	5,548	5,590	7,072	8,680	11,753	11,100
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	16,046	17,113	18,606	18,668	19,328	20,321	21,617	23,571
165	OTHER CURRENT LIABILITIES	0	0	0	0	0	0	28,452	32,269
166	TAXES ACCRUED	(67,056)	32,347	28,891	96,319	(12,575)	251,143	41,032	186,277
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	15,465	21,196	26,613	18,525	17,357	17,265	17,099	17,082
	TOTAL CURRENT AND ACCRUED LIABILITIES	($11,617)	$151,823	$110,020	$160,821	$78,039	$334,096	$224,138	$316,448
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	184,692	249,883	267,676	295,160	284,320	276,794	282,819	257,217
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	113,525	162,025	191,859	243,087	329,421	364,095	393,006	432,291
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$298,217	$411,908	$459,535	$538,247	$613,741	$640,889	$675,825	$689,508
	TOTAL LIABILITIES AND OTHER CREDITS	$2,833,506	$3,811,008	$3,931,187	$4,280,627	$4,438,934	$5,027,830	$5,150,005	$4,979,145

TABLE 12.3

BLOCK 3:
AUGUST 2, 1987

12 LEWIS RIVER TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$165,194	$279,946	$200,769	$315,625	$269,332	$392,058	$298,797	$428,696
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$165,194	$279,946	$200,769	$315,625	$269,332	$392,058	$298,797	$428,696
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	0
OTHER INCOME	6,082	13,072	46,153	44,674	37,333	82,775	83,979	75,068
MISCELLANEOUS DEDUCTIONS FROM INCOME	0	285	(4,564)	(1,186)	125	375	407	570
INTEREST ON FUNDED DEBT	69,020	90,240	106,948	109,383	103,630	104,306	101,520	99,628
OTHER FIXED CHARGES	80	80	80	80	80	755	85	0
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	799
NET INCOME	$102,176	$202,413	$144,458	$252,022	$202,830	$369,397	$280,764	$402,767
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$1,055,689	$1,157,865	$1,360,278	$1,504,736	$1,756,758	$1,959,588	$2,303,985	$2,559,750
CREDITS: NET INCOME(AS ABOVE)	$102,176	$202,413	$144,458	$252,022	$202,830	$369,397	$280,764	402,767
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$102,176	$202,413	$144,458	$252,022	$202,830	$369,397	$280,764	$402,767
DEBITS: DIVIDEND APPROPRIATIONS	$0	$0	$0	$0	$0	$25,000	$25,000	636,150
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$0	$0	$0	$0	$0	$25,000	$25,000	$636,150
BALANCE AT END OF YEAR	$1,157,865	$1,360,278	$1,504,736	$1,756,758	$1,959,588	$2,303,985	$2,559,749	$2,326,367

TABLE 12.4

BLOCK 4:
AUGUST 2, 1987

12 LEWIS RIVER TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$207,988	$237,632	$253,898	$269,969	$280,547	$313,964	$337,006	$384,102
ACCESS REVENUES	0	0	0	0	0	955,211	1,227,012	1,218,075
TOLL SERVICE	553,917	816,846	836,258	1,105,461	963,571	327,611	(66,680)	61,155
MISCELLANEOUS	8,675	14,242	11,254	14,949	14,336	52,221	61,698	117,463
UNCOLLECTIBLES - DEBIT	(1,236)	3,093	392	884	(494)	7,657	9,322	2,475
TOTAL OPERATING REVENUES	$771,816	$1,065,627	$1,101,018	$1,389,495	$1,258,948	$1,641,350	$1,549,714	$1,778,320
OPERATING REVENUE EXPENSES								
MAINTENANCE	$137,589	$148,760	$204,620	$208,152	$190,111	$223,220	$235,112	$217,171
DEPRECIATION AND AMORTIZATION	130,458	144,076	203,682	183,626	210,841	247,489	267,192	285,214
TRAFFIC	2,791	3,610	3,679	3,740	3,742	4,543	4,906	121
COMMERCIAL	46,298	58,261	66,153	79,174	91,155	102,520	113,989	108,260
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	106,368	170,255	171,061	183,238	206,711	200,910	194,435	250,538
OTHER OPERATING EXPENSES	87,078	77,140	117,995	150,616	138,743	154,459	191,522	166,430
TOTAL OPERATING REVENUE EXPENSES	$510,582	$602,102	$767,190	$808,546	$841,303	$933,141	$1,007,156	$1,027,734
INVESTMENT CREDIT - NET	$86,074	$65,191	$17,793	$27,484	($7,745)	($7,526)	$6,025	($25,602)
FEDERAL INCOME TAXES	(68,442)	541	10,991	82,758	(2,969)	208,911	135,165	229,721
OTHER OPERATING TAXES	60,099	69,347	74,439	103,853	72,693	80,092	73,660	78,485
OPERATING FED.INCOME TAX DEFER - ACC.DEP	18,310	48,500	29,834	51,228	86,334	34,674	28,911	39,285
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$96,041	$183,579	$133,057	$265,323	$148,313	$316,151	$243,761	$321,889
TOTAL OPERATING REV DEDUCTIONS	$606,623	$785,681	$900,247	$1,073,869	$989,616	$1,249,292	$1,250,917	$1,349,623
NET OPERATING INCOME	$165,193	$279,946	$200,771	$315,626	$269,332	$392,058	$298,797	$428,697
100.1 TELEPHONE PLANT IN SERVICE	$3,206,572	$3,705,974	$3,700,001	$4,237,645	$4,346,644	$4,605,558	$5,024,199	5,286,455
100.3 PROPERTY HELD FOR FUTURE USE	4,858	3,129	243	1,651	1,651	1,651	1,651	1,651
LESS: 171 & 172 DEP. & AMORT. RESERVES	728,222	551,612	534,699	873,750	917,220	1,179,529	1,463,791	1,586,604
NET TELEPHONE PLANT END OF YEAR(DEC)	$2,483,208	$3,157,491	$3,165,545	$3,365,546	$3,431,075	$3,427,680	$3,562,059	$3,701,502
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	23,059	23,499	23,785	28,183	28,437	28,600	33,067	33,240
AERIAL WIRE	24	17	19	18	11	10	10	10
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	3	3	5
CARRIER CHANNEL(TELEPHONE)	552	552	552	642	300	300	320	320
NUMBER OF POLES	260	290	277	277	184	185	186	186
NUMBER OF CENTRAL OFFICES	5	5	5	5	5	5	5	47
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,530	1,595	1,790
ACCESS LINES(BUSINESS)	0	0	0	0	0	218	207	205
ACCESS LINES(PUBLIC)	0	0	0	0	0	20	21	19
ACCESS LINES(TOTAL)	0	0	0	0	0	1,768	1,823	2,014

TABLE 13.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

13 MASHELL TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$2,523,410	$3,070,138	$3,199,661	$3,780,288	$3,848,872	$4,186,865	$4,293,040	$4,822,606
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	5,130	0	20,825	84,351	294,465	44,031	15,155	65,352
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	10,000	11,000	10,000	10,000	10,000	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	649,856	626,915	843,648	1,059,727	1,210,591	1,493,357	1,777,606	2,016,888
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$1,878,684	$2,453,223	$2,387,838	$2,814,912	$2,942,746	$2,747,539	$2,530,589	$2,871,070
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	200,669	273,921	304,695	331,404	412,225	908,301	1,131,393	1,145,673
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	10,000	0	0
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$200,669	$273,921	$304,695	$331,404	$412,225	$918,301	$1,131,393	$1,145,673
CURRENT ASSETS									
113	CASH	$78,971	$33,641	$138,608	$170,682	$104,316	$76,938	$166,473	$88,458
114	SPECIAL CASH DEPOSITS	78,800	33,706	103,767	266,355	301,697	179,898	421,788	380,890
115	WORKING FUNDS	0	0	0	0	0	0	0	0
116	TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	0
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	56,581	64,299	71,992	66,144	67,406	94,853	105,603	116,222
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
120.2	OTHER ACCOUNTS RECEIVABLE	27,204	29,800	18,943	36,929	159,725	96,703	55,782	49,848
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	25,602	21,537	25,770	27,254	44,461	44,110	47,692	0
123	OTHER CURRENT ASSETS	0	0	0	0	0	0	0	53,747
	TOTAL CURRENT ASSETS	$267,158	$182,983	$359,080	$567,364	$677,605	$492,502	$797,338	$689,165
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$135	$75	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	0	0	0	0	0	0	0	0
131	PREPAID INSURANCE	5,049	5,769	4,953	4,132	4,702	4,277	5,200	7,519
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	0	0	0	0	0	0	0	0
135	DISCOUNT ON LONG-TERM DEBT	2,905	2,767	2,629	2,491	2,353	2,216	2,078	1,940
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	65,364	32,682	0
139	OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$8,089	$8,611	$7,582	$6,623	$7,055	$71,857	$39,960	$9,459
	TOTAL ASSETS AND OTHER DEBITS	$2,354,600	$2,918,738	$3,059,195	$3,720,303	$4,039,631	$4,230,199	$4,499,280	$4,715,367

TABLE 13.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

13 MASHELL TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$32,050	$32,050	$32,050	$32,050	$32,050	$32,050	$32,050	$32,050
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAPITAL	999	999	999	999	999	999	999	999
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	653,573	780,925	803,371	1,005,106	1,177,953	1,343,207	1,453,893	1,618,082
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$686,622	$813,974	$836,420	$1,038,155	$1,211,002	$1,376,256	$1,486,942	$1,651,131
LONG-TERM DEBT									
151.1	FUNDED DEBT	$1,270,219	$1,580,982	$1,758,697	$2,090,002	$2,052,866	$2,261,490	$2,237,829	$2,191,263
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$1,270,219	$1,580,982	$1,758,697	$2,090,002	$2,052,866	$2,261,490	$2,237,829	$2,191,263
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	128,535	192,587	137,159	147,861	318,272	54,561	147,965	200,202
160	CUSTOMERS' DEPOSITS	0	35	2,916	2,150	1,780	2,060	2,100	1,805
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	21,403	13,927	16,158	17,803	18,323	13,311	16,798	17,506
166	TAXES ACCRUED	3,228	32,955	29,370	45,527	7,804	25,001	84,538	131,105
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	13,218	17,078	19,427	23,540	23,311	26,381	27,329	25,191
	TOTAL CURRENT AND ACCRUED LIABILITIES	$166,384	$256,582	$205,030	$236,881	$369,490	$121,314	$278,730	$375,809
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	2,400	7,310	15,054	24,615	35,150	46,430	58,223
174	OTHER DEFERRED CREDITS	125,466	127,754	112,578	193,672	209,791	232,490	214,383	176,805
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	98,939	125,718	126,035	127,111	145,469	169,431	192,460	210,753
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	6,969	11,328	13,125	19,428	26,398	34,068	42,506	51,383
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$231,374	$267,200	$259,048	$355,265	$406,273	$471,139	$495,779	$497,164
	TOTAL LIABILITIES AND OTHER CREDITS	$2,354,599	$2,918,738	$3,059,195	$3,720,303	$4,039,631	$4,230,199	$4,499,280	$4,715,367

TABLE 13.3

BLOCK 3:
AUGUST 2, 1987

13 MASHELL TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

	1979	1980	1981	1982	1983	1984	1985	1986
NET INCOME								
NET OPERATING INCOME -WASHINGTON	$153,447	$198,058	$109,006	$293,538	$278,707	$286,231	$234,589	$267,966
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$153,447	$198,058	$109,006	$293,538	$278,707	$286,231	$234,589	$267,966
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	43,874
OTHER INCOME	16,914	27,756	31,483	44,827	41,277	40,189	40,809	13,576
MISCELLANEOUS DEDUCTIONS FROM INCOME	3,645	5,618	2,917	8,132	7,933	7,670	8,903	9,127
INTEREST ON FUNDED DEBT	72,746	85,571	107,607	119,115	131,685	145,555	146,654	144,640
OTHER FIXED CHARGES	3,427	3,430	3,676	5,540	3,676	4,098	5,312	3,617
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$90,543	$131,195	$26,289	$205,578	$176,690	$169,097	$114,529	$168,032
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$566,873	$653,573	$780,925	$803,371	$1,005,106	$1,177,953	$1,343,207	$1,453,893
CREDITS: NET INCOME(AS ABOVE)	$90,543	$131,195	$26,289	$205,578	$176,690	$169,097	$114,529	168,032
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$90,543	$131,195	$26,289	$205,578	$176,690	$169,097	$114,529	$168,032
DEBITS: DIVIDEND APPROPRIATIONS	$3,843	$3,843	$3,843	$3,843	$3,843	$3,843	$3,843	3,843
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$3,843	$3,843	$3,843	$3,843	$3,843	$3,843	$3,843	$3,843
BALANCE AT END OF YEAR	$653,573	$780,925	$803,371	$1,005,106	$1,177,953	$1,343,207	$1,453,893	$1,618,082

TABLE 13.4

BLOCK 4:
AUGUST 2, 1987

13 MASHELL TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$159,541	$171,396	$178,505	$211,604	$225,573	$249,096	$244,787	$267,465
ACCESS REVENUES	0	0	0	0	0	1,034,059	1,061,750	1,076,056
TOLL SERVICE	590,652	692,874	709,316	1,040,934	1,002,953	20,794	(15,255)	29,904
MISCELLANEOUS	15,190	23,480	26,211	29,439	34,016	53,221	65,486	52,200
UNCOLLECTIBLES - DEBIT	4,745	265	2,578	(1,237)	287	5,032	2,287	3,854
TOTAL OPERATING REVENUES	$760,638	$887,485	$911,454	$1,283,214	$1,262,255	$1,352,138	$1,354,481	$1,421,771
OPERATING REVENUE EXPENSES								
MAINTENANCE	$91,609	$95,933	$132,810	$149,909	$165,662	$183,800	$174,232	$181,832
DEPRECIATION AND AMORTIZATION	136,325	149,967	228,736	246,032	269,092	314,943	326,399	330,837
TRAFFIC	10,636	9,474	7,284	5,881	3,264	3,502	4,512	1,645
COMMERCIAL	48,879	54,301	48,024	41,959	57,870	48,973	35,703	50,710
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	141,324	159,165	189,741	223,513	247,452	230,656	234,886	233,830
OTHER OPERATING EXPENSES	97,317	109,260	142,239	146,620	148,043	154,933	191,700	172,672
TOTAL OPERATING REVENUE EXPENSES	$526,090	$578,100	$748,834	$813,914	$891,383	$936,807	$967,432	$971,526
INVESTMENT CREDIT - NET	$481	$19,118	($13,495)	$77,544	$15,969	$9,459	($20,684)	($27,793)
FEDERAL INCOME TAXES	139	2,156	(176)	15,486	3,038	30,382	87,608	123,159
OTHER OPERATING TAXES	65,650	63,273	66,968	81,656	54,800	65,297	62,507	68,620
OPERATING FED.INCOME TAX DEFER - ACC.DEP	14,830	26,779	317	1,076	18,358	23,962	23,029	18,293
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$81,100	$111,326	$53,614	$175,762	$92,165	$129,100	$152,460	$182,279
TOTAL OPERATING REV DEDUCTIONS	$607,190	$689,426	$802,448	$989,676	$983,548	$1,065,907	$1,119,892	$1,153,805
NET OPERATING INCOME	$153,448	$198,059	$109,006	$293,538	$278,707	$286,231	$234,589	$267,966
100.1 TELEPHONE PLANT IN SERVICE	$2,523,410	$3,070,138	$3,199,661	$3,780,289	$3,848,872	$4,186,865	$4,293,040	4,822,606
100.3 PROPERTY HELD FOR FUTURE USE	0	10,000	11,000	10,000	10,000	10,000	15,155	65,352
LESS: 171 & 172 DEP. & AMORT. RESERVES	649,856	626,915	843,648	1,059,727	1,210,591	1,493,357	1,777,606	2,016,888
NET TELEPHONE PLANT END OF YEAR(DEC)	$1,873,554	$2,453,223	$2,367,013	$2,730,562	$2,648,281	$2,703,508	$2,530,589	$2,871,070
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	8,202	8,649	8,956	9,185	10,612	10,613	10,617	11,387
AERIAL WIRE	1	0	0	0	0	0	0	0
UNDERGROUND CONDUIT (SINGLE DUCT)	1	1	1	1	1	1	1	1
CARRIER CHANNEL(TELEPHONE)	533	1,049	1,049	1,620	1,620	1,620	1,620	1,620
NUMBER OF POLES	733	708	682	1,021	1,015	1,021	1,027	1,010
NUMBER OF CENTRAL OFFICES	2	2	2	2	2	2	2	2
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,974	1,310	1,359
ACCESS LINES(BUSINESS)	0	0	0	0	0	241	244	260
ACCESS LINES(PUBLIC)	0	0	0	0	0	12	12	13
ACCESS LINES(TOTAL)	0	0	0	0	0	2,227	1,566	1,632

TABLE 14.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

14 MCDANIEL TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$1,873,911	$2,088,695	$2,255,862	$2,590,616	$2,895,982	$3,164,764	$3,385,856	$3,674,498
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	0	3,218	0	0	0	0	0	0
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	742,600	835,010	934,912	1,059,839	1,205,661	1,350,702	1,519,299	1,712,535
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$1,131,311	$1,256,903	$1,320,950	$1,530,777	$1,690,321	$1,814,062	$1,866,557	$1,961,963
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	7,113	7,253	7,550	7,701	0	32,380	32,380	32,380
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	0	0	0
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$7,113	$7,253	$7,550	$7,701	$0	$32,380	$32,380	$32,380
CURRENT ASSETS									
113	CASH	$39,052	$32,581	$46,154	$64,941	$131,468	$113,687	$100,388	$82,763
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	153	153	153	153	153	153	153	153
116	TEMPORARY CASH INVESTMENTS	91,269	41,996	119,475	47,135	49,789	153,961	400,032	441,773
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	66,539	74,924	83,497	75,724	92,203	100,556	114,913	127,374
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
120.2	OTHER ACCOUNTS RECEIVABLE	0	0	0	0	0	237	0	0
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	10,485	15,909	14,614	16,891	7,666	9,359	6,279	5,615
123	OTHER CURRENT ASSETS	0	0	0	0	0	0	0	0
	TOTAL CURRENT ASSETS	$207,498	$165,563	$263,893	$204,844	$281,279	$377,953	$621,765	$657,678
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	0	15,807	0	0	0	0	0	0
131	PREPAID INSURANCE	2,754	3,350	2,981	3,260	2,206	2,809	3,635	5,706
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	1,457	1,717	0	0	0	0	0	126,000
135	DISCOUNT ON LONG-TERM DEBT	1,150	1,035	920	805	690	565	450	335
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$5,361	$21,909	$3,901	$4,065	$2,896	$3,374	$4,085	$132,041
	TOTAL ASSETS AND OTHER DEBITS	$1,351,282	$1,451,627	$1,596,295	$1,747,387	$1,974,496	$2,227,769	$2,524,787	$2,784,062

TABLE 14.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

14 MCDANIEL TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$39,300	$39,300	$39,300	$39,300	$39,300	$39,300	$39,300	$26,200
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAFITAL	37	37	37	37	37	37	37	0
180	RETAINED EARNINGS RESERVED	116,425	116,425	116,425	116,424	116,425	116,424	116,425	116,425
181	UNAPPROPRIATED RETAINED EARNINGS	854,442	940,008	1,055,618	1,192,782	1,382,840	1,600,781	1,848,368	1,617,444
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$1,010,204	$1,095,770	$1,211,380	$1,348,543	$1,538,602	$1,756,542	$2,004,129	$1,760,069
LONG-TERM DEBT									
151.1	FUNDED DEBT	$142,167	$129,907	$117,399	$104,635	$91,616	$78,334	$64,784	$50,961
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	488,000
	TOTAL LONG-TERM DEBT	$142,167	$129,907	$117,399	$104,635	$91,616	$78,334	$64,784	$538,961
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	53,167	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	29,459	31,888	39,225	4,481	47,342	27,677	54,950	45,522
160	CUSTOMERS' DEPOSITS	4,095	3,492	3,817	5,750	6,500	5,629	5,538	6,157
162	MATURED INTEREST AND DIVIDENDS	5,750	5,750	5,750	0	5,750	5,750	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	0	0	0	0	0	0	0	0
166	TAXES ACCRUED	18,405	13,258	26,441	11,927	22,758	44,027	35,143	39,677
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	6,245	5,678	5,111	4,544	3,977	3,410	2,843	2,276
	TOTAL CURRENT AND ACCRUED LIABILITIES	$63,954	$60,066	$80,344	$79,869	$86,327	$86,493	$98,474	$93,632
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	101,153	0	0	0	0
174	OTHER DEFERRED CREDITS	75,187	90,864	101,111	113,187	106,999	116,315	125,315	113,315
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	59,771	75,022	86,062	0	150,952	190,085	232,085	278,085
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$134,958	$165,886	$187,173	$214,340	$257,951	$306,400	$357,400	$391,400
	TOTAL LIABILITIES AND OTHER CREDITS	$1,351,283	$1,451,629	$1,596,296	$1,747,387	$1,974,496	$2,227,769	$2,524,787	$2,784,062

TABLE 14.3

BLOCK 3:
AUGUST 2, 1987

14 MCDANIEL TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$129,719	$85,028	$112,207	$131,226	$173,800	$209,352	$230,059	$188,044
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$129,719	$85,028	$112,207	$131,226	$173,800	$209,352	$230,059	$188,044
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	0
OTHER INCOME	4,827	3,898	6,657	8,782	4,476	10,766	19,730	32,347
MISCELLANEOUS DEDUCTIONS FROM INCOME	159	497	636	485	0	0	0	579
INTEREST ON FUNDED DEBT	2,987	2,749	2,502	2,245	1,991	1,727	1,369	1,167
OTHER FIXED CHARGES	115	115	115	115	115	451	832	705
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	13,888	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$131,285	$85,565	$115,611	$137,163	$190,058	$217,940	$247,587	$217,940
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$723,157	$854,442	$940,007	$1,055,618	$1,192,782	$1,382,841	$1,600,781	$1,848,368
CREDITS: NET INCOME(AS ABOVE)	$131,285	$85,565	$115,611	$137,164	$190,059	$217,940	$247,587	217,940
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$131,285	$85,565	$115,611	$137,164	$190,059	$217,940	$247,587	$217,940
DEBITS: DIVIDEND APPROPRIATIONS	$0	$0	$0	$0	$0	$0	$0	0
OTHER DEBITS	0	0	0	0	0	0	0	448,864
TOTAL DEBITS	$0	$0	$0	$0	$0	$0	$0	$448,864
BALANCE AT END OF YEAR	$854,442	$940,007	$1,055,618	$1,192,782	$1,382,841	$1,600,781	$1,848,368	$1,617,444

TABLE 14.4

BLOCK 4:
AUGUST 2, 1987

14 MCDANIEL TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$167,266	$191,203	$218,262	$230,040	$250,559	$264,456	$258,543	$291,571
ACCESS REVENUES	0	0	0	0	0	0	704,047	731,196
TOLL SERVICE	339,215	367,309	389,510	516,527	620,367	699,941	0	(1,065)
MISCELLANEOUS	33,387	22,169	30,094	35,433	25,524	54,773	112,630	94,652
UNCOLLECTIBLES - DEBIT	2,944	3,874	4,652	10,105	5,621	14,392	8,365	10,661
TOTAL OPERATING REVENUES	$536,924	$576,806	$633,214	$771,895	$890,829	$1,004,778	$1,066,855	$1,105,693
OPERATING REVENUE EXPENSES								
MAINTENANCE	$97,473	$118,896	$125,849	$150,328	$183,659	$190,784	$201,594	$139,128
DEPRECIATION AND AMORTIZATION	71,004	84,869	103,202	117,263	140,956	135,707	156,597	158,916
TRAFFIC	3,597	3,533	3,505	5,776	4,378	4,931	23,756	22,889
COMMERCIAL	409	264	3,835	0	0	5,638	3,617	86,653
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	110,762	125,472	132,461	174,903	194,712	212,511	196,045	218,915
OTHER OPERATING EXPENSES	30,149	55,962	57,569	60,680	69,961	85,460	75,732	108,018
TOTAL OPERATING REVENUE EXPENSES	$313,394	$388,996	$426,421	$508,950	$593,666	$635,031	$657,341	$734,519
INVESTMENT CREDIT - NET	$16,123	$15,677	$10,247	$32,666	$5,846	$9,316	$9,000	($12,000)
FEDERAL INCOME TAXES	26,115	32,457	28,320	15,394	20,492	75,996	79,000	96,590
OTHER OPERATING TAXES	37,651	39,397	44,980	56,491	59,260	35,950	49,455	52,540
OPERATING FED.INCOME TAX DEFER - ACC.DEP	13,924	15,251	11,040	27,167	37,765	39,133	42,000	46,000
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$93,813	$102,782	$94,587	$131,718	$123,363	$160,395	$179,455	$183,130
TOTAL OPERATING REV DEDUCTIONS	$407,207	$491,778	$521,008	$640,668	$717,029	$795,426	$836,796	$917,649
NET OPERATING INCOME	$129,717	$85,028	$112,206	$131,227	$173,800	$209,352	$230,059	$188,044
100.1 TELEPHONE PLANT IN SERVICE	$1,873,911	$2,088,695	$2,255,862	$2,590,616	$2,895,982	$3,164,764	$3,385,856	3,674,498
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	742,600	835,010	934,912	1,059,839	1,205,661	1,350,702	1,519,299	1,712,535
NET TELEPHONE PLANT END OF YEAR(DEC)	$1,131,311	$1,253,685	$1,320,950	$1,530,777	$1,690,321	$1,814,062	$1,866,557	$1,961,963
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	4,995	4,995	5,234	5,258	5,258	5,608	5,758	8,208
AERIAL WIRE	141	141	120	102	75	75	75	75
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0
CARRIER CHANNEL(TELEPHONE)	0	0	0	0	0	0	0	0
NUMBER OF POLES	2,350	2,350	2,305	2,164	2,149	2,024	2,000	2,000
NUMBER OF CENTRAL OFFICES	3	3	3	3	3	3	3	3
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,233	1,320	1,435
ACCESS LINES(BUSINESS)	0	0	0	0	0	240	240	285
ACCESS LINES(PUBLIC)	0	0	0	0	0	19	20	21
ACCESS LINES(TOTAL)	0	0	0	0	0	1,492	1,580	1,741

TABLE 15.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

15 PACIFIC NORTHWEST BELL - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$3,182,538,128	$3,593,609,033	$3,947,540,166	$4,270,695,861	$4,483,670,305	$4,071,112,005	$4,335,332,689	$4,604,582,753
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	138,640,548	134,340,826	178,843,049	115,327,808	73,855,243	121,636,917	128,259,572	55,375,346
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	1,013,431	934,439	860,014	107,117	196,421	115,756	39,933	105,404
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	2,745,906
171	LESS: DEPRECIATION RESERVE	573,327,916	614,655,585	671,338,970	754,329,870	921,379,204	926,340,028	1,107,376,428	1,253,981,161
172	AMORTIZATION RESERVE	3,600	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$2,748,860,591	$3,114,228,713	$3,455,904,259	$3,631,800,916	$3,636,342,765	$3,266,524,650	$3,356,255,766	$3,408,828,248
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$2,000	$2,937,879	$5,205,693	$5,007,401
101.2	ADVANCES TO AFFILIATED COMPANIES	45	45	0	0	0	0	0	0
102	OTHER INVESTMENTS	95,733	323,758	228,297	244,579	92,367	6,616,310	6,790,919	7,054,175
103	MISCELLANEOUS PHYSICAL PROPERTY	3,188,214	3,547,942	3,678,065	5,096,753	6,761,690	6,195,462	7,411,864	7,377,356
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	10,287
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	14,058	0
	TOTAL INVESTMENTS AND FUNDS	$3,283,992	$3,871,745	$3,906,362	$5,341,332	$6,856,057	$15,749,651	$19,422,534	$19,449,219
CURRENT ASSETS									
113	CASH	$5,918,726	$5,888,249	$6,290,907	$4,811,217	$4,921,704	$3,297,427	$5,584,324	$7,938,844
114	SPECIAL CASH DEPOSITS	19,542	19,389	18,532	18,820	777,935	11,465	9,982	0
115	WORKING FUNDS	643,369	637,982	718,906	611,132	492,670	203,677	409,642	189,826
116	TEMPORARY CASH INVESTMENTS	0	0	1,200,000	0	4,400,000	59,180,683	52,500,000	10,000,000
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	8,809	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	141,551,793	165,253,130	205,461,609	208,614,294	234,919,629	207,383,948	214,704,091	172,171,904
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	1,532,097	2,749,479	6,463,968	2,460,273	18,128,283	13,165,158	7,713,305	9,661,455
120.2	OTHER ACCOUNTS RECEIVABLE	26,269,440	32,254,305	32,947,000	6,317,990	17,482,876	109,494,830	97,127,581	104,446,153
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	2,444	288,948	227,055	10,000
122	MATERIAL AND SUPPLIES	30,497,459	34,554,390	32,716,125	37,507,710	40,303,888	39,525,427	40,333,102	35,609,119
123	OTHER CURRENT ASSETS	355,943	1,089,220	369,172	242,609	289,682	202,610	256,224	770,756
	TOTAL CURRENT ASSETS	$206,788,369	$242,446,144	$286,186,219	$260,584,045	$321,727,920	$432,754,173	$418,865,306	$340,798,057
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$1,006,218	$123,834	$1,279,521	$1,474,748	$933,274	$784,767	$782,504	$904,689
130	PREPAID TAXES	246,746	219,849	218,268	72,412	197,598	174,478	32,084	46,930
131	PREPAID INSURANCE	27,840	32,238	58,745	33,037	35,463	139,312	501,132	661,830
132	PREPAID DIRECTORY EXPENSESS	23,231,684	27,043,055	31,180,805	33,080,619	36,622,874	0	0	0
133	OTHER PREPAYMENTS	1,406,006	2,358,756	1,421,503	1,320,912	769,923	1,032,063	130,462	236,353
135	DISCOUNT ON LONG-TERM DEBT	5,843,191	8,179,322	7,949,433	7,719,547	7,489,661	7,259,774	7,029,887	32,575,137
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	12,564,401	11,015,423	7,070,993	6,953,755	8,247,122	6,226,074	10,218,137	25,770,050
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$44,326,086	$48,972,477	$49,179,268	$50,655,030	$54,295,915	$15,616,468	$18,694,206	$60,194,989
	TOTAL ASSETS AND OTHER DEBITS	$3,003,259,038	$3,409,519,079	$3,795,176,108	$3,948,381,323	$4,019,222,657	$3,730,644,942	$3,813,237,812	$3,829,270,513

TABLE 15.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

15 PACIFIC NORTHWEST BELL - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$661,577,345	$800,322,491	$1,205,083,041	$1,209,437,865	$1,213,364,266	$997,161,697	$1,002,182,445	$994,027,445
152	PREMIUM ON CAPITAL STOCK	134,460,051	0	0	0	0	0	0	0
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	418,169,294	466,884,108	513,696,703	543,541,974	554,934,138	431,868,595	428,110,925	396,451,842
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$1,214,206,690	$1,267,206,599	$1,718,779,744	$1,752,979,839	$1,768,298,404	$1,429,030,292	$1,430,293,370	$1,390,479,287
LONG-TERM DEBT									
151.1	FUNDED DEBT	$935,000,000	$1,085,000,000	$1,085,000,000	$1,085,000,000	$1,085,000,000	$1,085,000,000	$1,085,000,000	$1,085,000,000
156	ADVANCES FROM AFFILIATED COMPANIES	29,000,000	200,000,000	12,500,000	8,500,000	0	0	0	0
157	OTHER LONG-TERM DEBT	25,000	25,000	0	0	0	5,679,352	6,920,818	4,624,771
	TOTAL LONG-TERM DEBT	$964,025,000	$1,285,025,000	$1,097,500,000	$1,093,500,000	$1,085,000,000	$1,090,679,352	$1,091,920,818	$1,089,624,771
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	165,332,500	102,610,900	71,361,500	110,145,000	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	42,078,559	37,052,115	38,169,513	25,823,995	38,461,527	13,861,751	13,934,930	18,112,686
159.2	OTHER ACCOUNTS PAYABLE	104,880,044	115,273,184	132,143,957	99,385,697	180,961,604	286,416,010	286,636,665	239,551,885
160	CUSTOMERS' DEPOSITS	6,302,310	8,693,278	10,077,573	9,572,170	10,533,646	11,022,702	10,005,659	9,538,021
162	MATURED INTEREST AND DIVIDENDS	2,565,702	2,361,456	18,532	18,820	22,013	15,736	21,127	11,722
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	6,665,000	0
164	ADVANCE BILLING AND PAYMENTS	24,271,845	28,184,986	36,146,233	39,870,709	36,258,476	28,441,572	30,394,720	33,820,687
165	OTHER CURRENT LIABILITIES	1,400,979	1,335,566	784,781	1,401,313	1,699,919	724,042	779,402	1,100,661
166	TAXES ACCRUED	41,387,427	31,990,532	51,807,103	56,043,630	60,659,059	56,549,507	62,797,388	64,953,985
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	19,764,817	22,926,185	22,691,205	23,042,972	22,612,766	42,890,451	44,625,701	45,914,800
	TOTAL CURRENT AND ACCRUED LIABILITIES	$407,984,183	$350,428,202	$363,200,397	$365,304,306	$351,209,010	$439,921,771	$455,860,592	$413,004,447
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$1,004,638	$961,684	$918,730	$875,776	$832,822	$789,868	$746,914	$703,960
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	3,797,653	4,190,036	5,419,659	10,215,704	11,298,916	12,577,958	9,653,183	20,696,413
174	OTHER DEFERRED CREDITS	148,455,103	183,626,668	216,115,449	243,288,902	248,561,026	227,630,009	236,827,958	245,669,514
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	256,516,018	309,526,682	386,429,710	471,596,309	545,856,877	524,457,168	581,923,236	640,396,151
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	7,269,752	8,554,209	6,812,418	10,620,487	8,165,602	5,558,524	6,011,741	28,695,970
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$417,043,164	$506,859,279	$615,695,966	$736,597,178	$814,715,243	$771,013,527	$835,163,032	$936,162,008
	TOTAL LIABILITIES AND OTHER CREDITS	$3,003,259,037	$3,409,519,080	$3,795,176,107	$3,948,381,323	$4,019,222,657	$3,730,644,942	$3,813,237,812	$3,829,270,513

TABLE 15.3

BLOCK 3:
AUGUST 2, 1987

15 PACIFIC NORTHWEST BELL -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$123,390,447	$152,342,992	$169,964,997	$175,967,521	$188,320,522	$178,883,414	$195,411,768	$169,324,484
-OTHER STATES	93,832,375	108,072,264	119,322,235	119,979,464	138,776,551	114,899,194	112,786,558	119,315,893
TOTAL NET OPERATING INCOME	$217,222,822	$260,415,256	$289,287,232	$295,946,985	$327,097,073	$293,782,608	$308,198,326	$288,640,377
INTEREST CHARGED TO CONSTRUCTION	2,164,040	2,289,482	5,040,811	8,681,554	6,063,798	5,927,260	7,584,584	7,228,724
OTHER INCOME	379,450	725,171	2,843,608	2,586,076	5,216,555	6,523,563	3,344,568	3,472,251
MISCELLANEOUS DEDUCTIONS FROM INCOME	955,417	1,532,344	2,979,375	2,577,943	7,548,886	6,665,158	4,555,963	2,410,024
INTEREST ON FUNDED DEBT	61,012,592	84,366,667	90,462,504	90,462,481	90,462,515	90,462,493	90,462,500	90,017,708
OTHER FIXED CHARGES	20,555,997	29,916,968	18,985,756	13,836,179	7,736,469	4,112,413	4,094,135	4,751,705
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	12,444,429	32,128	30,205	47,523	(10,210,813)	(1,659,020)	405,968	160,915
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	5,893,751	(19,457)	16,154	16,149	(1,919,857)	(3,730,002)	599,595	65,456
NET INCOME	$143,792,984	$147,665,515	$184,758,067	$200,369,386	$224,338,600	$207,064,349	$219,821,253	$202,257,374

RETAINED EARNINGS (ACCOUNTS 180 AND 181)

BALANCE AT BEGINNING OF YEAR	$373,043,820	$418,169,294	$466,884,108	$513,696,703	$542,460,606	$429,805,703	$431,868,595	$428,110,925
CREDITS: NET INCOME(AS ABOVE)	$143,792,984	$147,665,515	$184,758,067	$200,369,386	$224,338,600	$207,064,349	$219,821,253	202,257,374
OTHER CREDITS	3,129	3,849	131,218	171	1,444	10,153,273	64,216	2,000
TOTAL CREDITS	$143,796,113	$147,669,364	$184,889,285	$200,369,557	$224,340,044	$217,217,622	$219,885,469	$202,259,374
DEBITS: DIVIDEND APPROPRIATIONS	$98,392,448	$98,724,442	$138,041,000	$170,511,000	$211,865,388	$215,142,516	$223,642,330	233,910,390
OTHER DEBITS	278,191	230,108	35,690	13,286	1,124	12,214	809	8,067
TOTAL DEBITS	$98,670,639	$98,954,550	$138,076,690	$170,524,286	$211,866,512	$215,154,730	$223,643,139	$233,918,457
BALANCE AT END OF YEAR	$418,169,294	$466,884,108	$513,696,703	$543,541,974	$554,934,138	$431,868,595	$428,110,925	$396,451,842

Line 29, 1983: $1,081,368 (R) transferred to AT&T Information Systems

Line 29, 1984: $125,128,435 Transferred: $119,680,090 to AT&T
5,448,345 to Landmark Publishing Co.

TABLE 15.4

BLOCK 4:
AUGUST 2, 1987

15 PACIFIC NORTHWEST BELL TELEPHONE COMPANY -- WASHINGTON STATE OPERATIONS ONLY
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$302,880,650	$344,131,800	$407,145,259	$463,308,712	$501,595,782	$414,826,850	$431,897,330	$400,775,495
ACCESS REVENUES	0	0	0	0	0	236,673,351	271,549,726	258,837,073
TOLL SERVICE	366,240,323	405,716,479	472,433,439	513,750,456	537,725,386	201,907,255	207,871,908	217,970,941
MISCELLANEOUS	58,888,391	70,438,911	78,148,720	91,035,103	98,117,938	131,171,670	110,838,985	109,070,878
UNCOLLECTIBLES - DEBIT	5,882,846	8,439,339	9,466,838	12,099,022	14,823,762	5,513,971	7,419,665	7,705,918
TOTAL OPERATING REVENUES	$722,126,518	$811,847,851	$948,260,580	$1,055,995,249	$1,122,615,344	$979,065,155	$1,014,738,284	$978,948,469
OPERATING REVENUE EXPENSES								
MAINTENANCE	$149,176,475	$160,003,629	$195,231,134	$228,489,813	$238,322,071	$181,010,389	$168,945,603	$167,194,071
DEPRECIATION AND AMORTIZATION	98,504,521	110,549,816	119,410,662	140,985,297	180,240,790	157,675,107	170,034,498	198,077,415
TRAFFIC	39,940,427	41,952,401	47,055,008	47,065,224	45,779,100	31,451,979	37,101,037	33,107,623
COMMERCIAL	74,731,537	87,000,118	103,386,324	116,397,084	104,538,010	84,236,917	79,114,266	77,090,111
ACCESS EXPENSES	0	0	0	0	0	0	265,265	2,526,878
GENERAL OFFICE	45,492,934	54,247,420	63,569,973	66,911,553	81,120,382	84,138,869	90,255,839	92,442,514
OTHER OPERATING EXPENSES	74,476,819	85,646,156	96,297,578	108,385,489	101,741,104	96,721,167	106,954,652	87,204,010
TOTAL OPERATING REVENUE EXPENSES	$482,322,713	$539,399,540	$624,950,679	$708,234,460	$751,741,457	$635,234,428	$652,671,160	$657,642,622
INVESTMENT CREDIT - NET	$20,543,338	$25,142,456	$24,715,979	$19,182,963	$5,918,222	$146,869	$10,095,230	$7,693,192
FEDERAL INCOME TAXES	(4,645,401)	(5,299,584)	(1,504,629)	1,007,896	34,865,222	43,363,097	31,815,778	1,672,169
OTHER OPERATING TAXES	70,622,404	69,035,547	85,844,268	94,136,204	91,446,689	78,361,521	78,132,021	83,135,745
OPERATING FED.INCOME TAX DEFER - ACC.DEP	30,689,165	33,020,069	49,847,575	56,606,171	57,878,648	52,476,330	61,409,061	55,024,284
OPER.FED. INCOME TAX DEFER - OTHER	4,146,512	4,789,300	3,749,165	12,370,188	9,356,371	7,467,529	7,922,959	25,522,358
INC. CREDITS FROM PRIOR FED. TAXES	4,942,661	6,582,468	9,307,454	11,510,154	16,911,787	16,868,033	22,719,693	(21,066,382)
TOTAL OPERATING TAXES	$116,413,357	$120,105,320	$153,344,904	$171,793,268	$182,553,365	$164,947,313	$166,655,356	$151,981,366
TOTAL OPERATING REV DEDUCTIONS	$598,736,070	$659,504,860	$778,295,583	$880,027,728	$934,294,822	$800,181,741	$819,326,516	$809,623,988
NET OPERATING INCOME	$123,390,448	$152,342,991	$169,964,997	$175,967,521	$188,320,522	$178,883,414	$195,411,768	$169,324,481
100.1 TELEPHONE PLANT IN SERVICE	$1,896,560,770	$2,147,397,489	$2,393,869,638	$2,606,858,053	$2,765,326,789	$2,544,824,508	$2,725,988,741	2,926,146,168
100.3 PROPERTY HELD FOR FUTURE USE	540,879	284,812	211,172	42,932	95,012	63,839	18,089	74,317
LESS: 171 & 172 DEP. & AMORT. RESERVES	360,986,794	382,250,701	420,641,499	443,389,579	554,852,007	571,470,155	669,657,214	738,661,086
NET TELEPHONE PLANT END OF YEAR(DEC)	$1,536,114,855	$1,765,431,600	$1,973,439,311	$2,163,511,406	$2,210,569,794	$1,973,418,192	$2,056,349,616	$2,187,559,399
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	17,733,155	18,791,831	19,847,979	20,276,474	20,508,747	20,794,893	21,161,284	21,620,388
AERIAL WIRE	28,235	23,832	21,563	19,063	27,225	25,503	33,403	32,243
UNDERGROUND CONDUIT (SINGLE DUCT)	9,738	10,389	10,706	10,601	10,523	10,788	11,398	11,148
CARRIER CHANNEL(TELEPHONE)	6,513,811	6,668,431	9,247,663	10,411,041	19,809,824	8,052,532	9,794,041	15,753,110
NUMBER OF POLES	219,773	214,340	208,406	204,105	198,975	192,912	187,619	184,073
NUMBER OF CENTRAL OFFICES	307	322	334	334	338	151	151	150
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,115,875	1,141,567	1,168,632
ACCESS LINES(BUSINESS)	0	0	0	0	0	492,288	510,063	517,178
ACCESS LINES(PUBLIC)	0	0	0	0	0	22,753	23,407	22,785
ACCESS LINES(TOTAL)	0	0	0	0	0	1,630,916	1,675,037	1,708,595

TABLE 16.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

16 PENINSULA TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$7,289,726	$8,189,136	$8,713,123	$8,974,923	$9,161,053	$10,010,561	$10,494,752	$10,251,641
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	33,735	140,183	0	0	0	0	0	250,708
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	1,951,444	2,457,048	2,798,541	3,264,296	3,683,652	4,241,770	4,427,455	4,832,417
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$5,372,017	$5,872,271	$5,914,582	$5,710,627	$5,477,401	$5,768,791	$6,067,297	$5,669,932
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$50,000	$50,000	$50,000	$131,690
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	605,118	695,595	231,993	146,359	113,188	158,093	13,356	13,356
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	122,639	3,244	0	0	0
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	140,830
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$605,118	$695,595	$231,993	$268,998	$166,432	$208,093	$63,356	$285,876
CURRENT ASSETS									
113	CASH	$298,801	$113,487	$256,036	$439,668	$881,640	$1,193,500	$1,085,461	$68,748
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	0	81,000	0	0	0	0	0	0
116	TEMPORARY CASH INVESTMENTS	0	0	73,800	324,866	840,331	963,133	872,857	71,751
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	27,980	26,686	26,710	40,842	46,660	49,351	27,918	4,076
118	DUE FROM CUSTOMERS AND AGENTS	230,189	233,519	237,636	224,491	251,073	248,953	258,023	212,389
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	29,041	63,431	51,187	2,489,087
120.2	OTHER ACCOUNTS RECEIVABLE	65,290	161,175	94,844	90,966	0	0	40,934	46,626
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	47,920	61,820	52,713	100,248	75,331	103,377	125,823	207,765
123	OTHER CURRENT ASSETS	119,000	13,500	0	0	0	0	0	0
	TOTAL CURRENT ASSETS	$789,180	$691,187	$741,739	$1,221,081	$2,124,076	$2,621,745	$2,462,203	$3,100,442
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$2,996	$992	$0	$0	$0	$0	$0	$6,472
130	PREPAID TAXES	57,572	0	0	0	0	35,161	0	0
131	PREPAID INSURANCE	6,791	3,483	3,618	3,262	3,163	3,075	0	1,730
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	0	0	0	750	0	0	0	0
135	DISCOUNT ON LONG-TERM DEBT	20,411	19,580	18,449	17,319	16,188	15,057	13,926	12,795
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	28,514	35,734	42,003	75,980	77,313	71,823	68,777	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$116,284	$59,789	$64,070	$97,311	$96,664	$125,116	$82,703	$20,997
	TOTAL ASSETS AND OTHER DEBITS	$6,882,599	$7,318,842	$6,952,384	$7,298,017	$7,864,573	$8,723,745	$8,675,559	$9,077,247

TABLE 16.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

16 PENINSULA TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$88,500	$90,500	$90,500	$90,500	$90,500	$90,500	$90,500	$90,500
152	PREMIUM ON CAPITAL STOCK	9,653	9,653	9,653	9,653	9,653	9,653	9,653	9,653
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	2,509,542	2,834,675	2,925,766	3,238,432	3,498,498	3,989,448	4,528,111	4,822,822
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$2,607,695	$2,934,828	$3,025,919	$3,338,585	$3,598,651	$4,089,601	$4,628,264	$4,922,975
LONG-TERM DEBT									
151.1	FUNDED DEBT	$3,581,483	$3,617,990	$3,013,800	$2,940,200	$2,866,600	$2,793,000	$2,719,400	$2,645,800
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$3,581,483	$3,617,990	$3,013,800	$2,940,200	$2,866,600	$2,793,000	$2,719,400	$2,645,800
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	81,255	44,383
159.2	OTHER ACCOUNTS PAYABLE	216,458	228,430	88,454	72,066	306,425	453,279	44,495	214,376
160	CUSTOMERS' DEPOSITS	19,360	22,790	19,617	14,985	20,675	19,155	17,335	11,867
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	12,002
165	OTHER CURRENT LIABILITIES	98,955	112,661	176,736	232,044	261,781	233,553	2,123	0
166	TAXES ACCRUED	16,434	15,664	51,934	79,767	91,862	223,851	52,133	34,141
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	75,201	77,317	123,130	76,932	63,577	60,322	57,669	54,752
	TOTAL CURRENT AND ACCRUED LIABILITIES	$426,408	$456,862	$459,871	$477,794	$744,320	$990,160	$255,010	$372,021
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	267,013	309,162	375,441	426,076	432,210	470,598	501,930	366,272
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	0	0	77,353	115,362	222,792	380,386	570,955	837,955
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	(67,776)
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$267,013	$309,162	$452,794	$541,438	$655,002	$850,984	$1,072,885	$1,136,451
	TOTAL LIABILITIES AND OTHER CREDITS	$6,882,599	$7,318,842	$6,952,384	$7,298,017	$7,864,573	$8,723,745	$8,675,559	$9,077,247

TABLE 16.3

BLOCK 3:
AUGUST 2, 1987

16 PENINSULA TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$635,347	$668,723	$588,166	$566,112	$583,609	$783,648	$705,313	$340,753
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$635,347	$668,723	$588,166	$566,112	$583,609	$783,648	$705,313	$340,753
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	0
OTHER INCOME	24,336	39,881	37,558	95,746	108,259	195,012	211,688	330,111
MISCELLANEOUS DEDUCTIONS FROM INCOME	(242)	18,350	7,600	1,050	862	2,512	900	4,716
INTEREST ON FUNDED DEBT	249,069	276,562	270,185	263,693	257,239	250,715	244,109	237,652
OTHER FIXED CHARGES	38,144	24,850	19,790	33,285	22,550	41,244	13,326	5,153
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	(12,537)	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	(5,767)	0	0	0
NET INCOME	$372,712	$388,842	$328,149	$363,830	$404,447	$684,189	$658,666	$423,343
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$2,229,422	$2,509,542	$2,834,675	$2,925,766	$3,238,432	$3,498,498	$3,989,448	$4,528,111
CREDITS: NET INCOME(AS ABOVE)	$372,712	$388,842	$328,149	$363,830	$404,447	$684,189	$658,666	423,343
OTHER CREDITS	0	29,224	0	41,356	0	0	0	70,918
TOTAL CREDITS	$372,712	$418,066	$328,149	$405,186	$404,447	$684,189	$658,666	$494,261
DEBITS: DIVIDEND APPROPRIATIONS	$92,592	$92,933	$237,058	$92,520	$144,381	$193,239	$120,003	199,550
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$92,592	$92,933	$237,058	$92,520	$144,381	$193,239	$120,003	$199,550
BALANCE AT END OF YEAR	$2,509,542	$2,834,675	$2,925,766	$3,238,432	$3,498,498	$3,989,448	$4,528,111	$4,822,822

TABLE 16.4

BLOCK 4:
AUGUST 2, 1987

16 PENINSULA TELEPHONE -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$722,337	$757,364	$722,910	$776,661	$952,283	$1,050,018	$957,024	$917,338
ACCESS REVENUES	0	0	0	0	0	0	2,471,817	2,517,013
TOLL SERVICE	1,848,019	2,304,168	2,556,278	2,708,045	2,468,585	2,849,332	143,889	(1,781)
MISCELLANEOUS	159,900	57,690	80,857	56,915	66,937	78,074	149,393	238,505
UNCOLLECTIBLES - DEBIT	810	6,823	18,970	30,000	38,097	47,013	31,034	31,495
TOTAL OPERATING REVENUES	$2,729,446	$3,112,399	$3,341,075	$3,511,621	$3,449,708	$3,930,411	$3,691,089	$3,639,580
OPERATING REVENUE EXPENSES								
MAINTENANCE	$733,013	$778,326	$769,374	$891,592	$777,688	$762,367	$737,339	$740,159
DEPRECIATION AND AMORTIZATION	440,105	628,135	664,772	651,470	666,759	688,522	755,385	745,400
TRAFFIC	13,559	15,599	13,677	31,375	20,701	20,609	11,876	43,688
COMMERCIAL	139,395	141,369	160,426	143,396	177,970	157,614	150,485	198,197
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	325,740	405,163	439,748	452,409	461,003	433,627	465,038	658,199
OTHER OPERATING EXPENSES	198,679	205,755	284,889	311,327	234,641	375,577	175,575	296,401
TOTAL OPERATING REVENUE EXPENSES	$1,850,491	$2,174,347	$2,332,886	$2,481,569	$2,338,762	$2,438,316	$2,295,698	$2,682,044
INVESTMENT CREDIT - NET	$51,418	$20,630	$48,556	$10,385	($2,728)	$35,648	$34,872	($13,000)
FEDERAL INCOME TAXES	(20,144)	40,050	84,363	150,576	218,122	406,395	302,905	200,000
OTHER OPERATING TAXES	212,334	208,649	209,751	223,614	210,846	115,820	167,913	161,783
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	77,353	79,365	101,097	157,594	190,569	267,000
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	1,000
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	7,010	6,181	0
TOTAL OPERATING TAXES	$243,608	$269,329	$420,023	$463,940	$527,337	$708,447	$690,078	$616,783
TOTAL OPERATING REV DEDUCTIONS	$2,094,099	$2,443,676	$2,752,909	$2,945,509	$2,866,099	$3,146,763	$2,985,776	$3,298,827
NET OPERATING INCOME	$635,347	$668,723	$588,166	$566,112	$583,609	$783,648	$705,313	$340,753
100.1 TELEPHONE PLANT IN SERVICE	$7,289,726	$8,189,136	$8,713,123	$8,974,923	$9,161,053	$10,010,561	$10,494,752	10,251,641
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	1,951,444	2,457,048	2,798,541	3,264,296	3,683,652	4,241,770	4,427,455	4,832,417
NET TELEPHONE PLANT END OF YEAR(DEC)	$5,338,282	$5,732,088	$5,914,582	$5,710,627	$5,477,401	$5,768,791	$6,067,297	$5,419,224
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	26,043	27,141	28,674	29,282	29,627	30,144	31,477	31,810
AERIAL WIRE	0	0	0	0	0	0	0	2
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	1	1	1	2
CARRIER CHANNEL(TELEPHONE)	12,923	16,309	16,634	15,069	17,180	16,606	17,211	17,283
NUMBER OF POLES	1,018	955	949	940	933	968	977	3,078
NUMBER OF CENTRAL OFFICES	5	5	5	5	5	5	5	5
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	2,821	2,893	2,905
ACCESS LINES(BUSINESS)	0	0	0	0	0	918	1,000	908
ACCESS LINES(PUBLIC)	0	0	0	0	0	65	59	54
ACCESS LINES(TOTAL)	0	0	0	0	0	3,804	3,952	3,867

TABLE 17.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

17 PIONEER TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$1,355,534	$1,418,319	$1,508,524	$1,610,299	$1,685,382	$3,330,494	$3,163,487	$3,098,023
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	39,030	71,637	48,364	85,378	84,612	28,582	0	1,992
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	424,233	479,012	546,818	651,760	755,974	598,452	503,823	612,309
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$970,331	$1,010,944	$1,010,070	$1,043,917	$1,014,020	$2,760,624	$2,659,664	$2,487,706
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	7,440	7,834	8,208	8,667	8,953	10,130	6,500	6,500
103	MISCELLANEOUS PHYSICAL PROPERTY	17,335	17,335	17,335	17,535	17,535	42,535	55,120	26,126
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$24,775	$25,169	$25,543	$26,202	$26,488	$52,665	$61,620	$32,626
CURRENT ASSETS									
113	CASH	$28,387	$16,779	$14,977	$6,489	$8,306	$124,979	$49,434	$31,791
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	0	2,178	2,942	930	100	100	100	100
116	TEMPORARY CASH INVESTMENTS	96,181	119,525	220,435	241,001	363,813	254,221	477,186	1,284,291
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	5,403	3,674	7,244	4,975	4,645	6,518	5,343	5,785
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
120.2	OTHER ACCOUNTS RECEIVABLE	0	562	562	209	0	41,843	0	0
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	38,825
122	MATERIAL AND SUPPLIES	19,079	18,094	18,239	20,067	18,358	23,315	22,232	25,406
123	OTHER CURRENT ASSETS	0	0	0	0	4,994	10,544	26,532	27,049
	TOTAL CURRENT ASSETS	$149,050	$160,812	$264,399	$275,671	$400,216	$461,520	$580,827	$1,413,247
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$150	$150	$150	$150	$0	$150	$200	$200
130	PREPAID TAXES	4,254	(1,629)	0	27,354	0	1,202	64	0
131	PREPAID INSURANCE	0	0	0	0	0	0	0	0
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	0	0	0	0	0	0	0	10,792
135	DISCOUNT ON LONG-TERM DEBT	6,626	6,303	5,980	5,656	5,333	11,840	11,316	0
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$11,030	$4,824	$6,130	$33,160	$5,333	$13,192	$11,580	$10,992
	TOTAL ASSETS AND OTHER DEBITS	$1,155,186	$1,201,749	$1,306,142	$1,378,950	$1,446,057	$3,288,001	$3,313,691	$3,944,571

TABLE 17.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

17 PIONEER TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$58,732	$58,732	$58,732	$58,732	$58,732	$58,732	$57,232	$24,457
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	492,068	553,793	638,383	706,305	778,990	932,865	1,011,244	1,220,316
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	294	294	294	294	294	294	294	294
	TOTAL NET STOCKHOLDERS' EQUITY	$550,506	$612,231	$696,821	$764,743	$837,428	$991,303	$1,068,182	$1,244,479
LONG-TERM DEBT									
151.1	FUNDED DEBT	$528,844	$503,641	$477,927	$451,696	$424,938	$1,833,643	$1,822,795	$2,208,605
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$528,844	$503,641	$477,927	$451,696	$424,938	$1,833,643	$1,822,795	$2,208,605
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	9,684	8,479	29,607	35,743	34,889	184,800	26,785	24,054
160	CUSTOMERS' DEPOSITS	845	415	400	235	520	390	390	375
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	4,842	7,181	6,665	7,288	8,709	12,052	12,309	10,920
166	TAXES ACCRUED	1,730	1,907	20,132	2,102	3,290	1,496	26,762	37,009
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	0	0	0	0	0	0	0	0
	TOTAL CURRENT AND ACCRUED LIABILITIES	$17,101	$17,982	$56,804	$45,368	$47,408	$198,738	$66,246	$72,358
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	58,735	67,895	68,559	76,850	81,721	127,565	122,858	125,523
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	0	0	6,031	40,293	54,562	136,752	233,610	293,606
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$58,735	$67,895	$74,590	$117,143	$136,283	$264,317	$356,468	$419,129
	TOTAL LIABILITIES AND OTHER CREDITS	$1,155,186	$1,201,749	$1,306,142	$1,378,950	$1,446,057	$3,288,001	$3,313,691	$3,944,571

TABLE 17.3

BLOCK3: -- INCOME AND RETAINED EARNINGS
AUGUST 2, 1987

17 PIONEER TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$105,782	$79,406	$89,888	$66,272	$72,114	$148,161	$111,396	$166,649
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$105,782	$79,406	$89,888	$66,272	$72,114	$148,161	$111,396	$166,649
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	13,660	16	0
OTHER INCOME	6,476	15,351	26,458	33,081	30,656	32,472	34,154	61,944
MISCELLANEOUS DEDUCTIONS FROM INCOME	1,517	1,596	365	620	245	100	345	1,058
INTEREST ON FUNDED DEBT	10,878	10,383	9,872	9,354	8,828	18,170	36,760	43,253
OTHER FIXED CHARGES	341	382	848	389	341	1,477	552	546
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	21,253
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$99,522	$82,396	$105,261	$88,990	$93,356	$174,546	$107,909	$204,989
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$410,264	$492,068	$553,793	$638,383	$706,702	$778,990	$932,865	$1,011,244
CREDITS: NET INCOME(AS ABOVE)	$99,522	$82,396	$105,261	$88,990	$93,356	$174,546	$107,909	339,408
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$99,522	$82,396	$105,261	$88,990	$93,356	$174,546	$107,909	$339,408
DEBITS: DIVIDEND APPROPRIATIONS	$17,718	$20,671	$20,671	$20,671	$20,671	$20,671	$29,530	34,764
OTHER DEBITS	0	0	0	0	0	0	0	95,572
TOTAL DEBITS	$17,718	$20,671	$20,671	$20,671	$20,671	$20,671	$29,530	$130,336
BALANCE AT END OF YEAR	$492,068	$553,793	$638,383	$706,702	$778,990	$932,865	$1,011,244	$1,220,316

TABLE 17.4

BLOCK4: NET INCOME & PLANT STATS. — 17 PIONEER TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
AUGUST 2, 1987 — NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$86,888	$87,909	$92,726	$92,121	$103,293	$112,404	$115,421	$107,643
ACCESS REVENUES	0	0	0	0	0	0	230,589	355,479
TOLL SERVICE	290,513	289,213	317,396	350,207	362,217	528,093	414,365	353,463
MISCELLANEOUS	321	0	2,083	1,366	1,516	1,838	(290)	4,577
UNCOLLECTIBLES - DEBIT	2,000	0	0	2,000	0	1,000	2,141	0
TOTAL OPERATING REVENUES	$375,722	$377,122	$412,205	$441,694	$467,026	$641,335	$757,944	$821,162
OPERATING REVENUE EXPENSES								
MAINTENANCE	$47,852	$62,134	$57,517	$75,289	$79,614	$77,602	$113,291	$100,585
DEPRECIATION AND AMORTIZATION	48,785	51,383	70,577	110,854	116,470	122,697	223,241	214,482
TRAFFIC	1,419	2,879	3,406	2,466	2,095	2,818	3,267	215
COMMERCIAL	1,013	2,149	3,334	2,079	3,614	2,690	4,901	9,934
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	57,768	63,434	61,737	64,413	70,817	101,221	86,162	104,642
OTHER OPERATING EXPENSES	38,878	46,410	49,012	54,107	60,575	68,612	78,543	86,645
TOTAL OPERATING REVENUE EXPENSES	$195,715	$228,389	$245,583	$309,208	$333,185	$375,640	$509,405	$516,503
INVESTMENT CREDIT - NET	13,265	(2,223)	6,925	8,291	4,871	(3,905)	(4,184)	($7,821)
FEDERAL INCOME TAXES	30,866	31,778	39,556	58,512	41,122	95,466	96,460	90,986
OTHER OPERATING TAXES	30,094	40,144	30,483	33,443	30,002	26,252	44,867	55,117
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	(230)	(34,032)	(14,268)	0	0	0
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	372	0	0	0	279	0	(272)
TOTAL OPERATING TAXES	$74,225	$69,327	$76,734	$66,214	$61,727	$117,534	$137,143	$138,010
TOTAL OPERATING REV DEDUCTIONS	$269,940	$297,716	$322,317	$375,422	$394,912	$493,174	$646,548	$654,513
NET OPERATING INCOME	$105,782	$79,406	$89,888	$66,272	$72,114	$148,161	$111,396	$166,649
100.1 TELEPHONE PLANT IN SERVICE	$1,355,534	$1,418,319	$1,508,524	$1,610,299	$1,685,382	$3,330,494	$3,163,487	3,098,023
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	424,233	479,012	546,818	651,760	755,974	598,452	503,823	612,309
NET TELEPHONE PLANT END OF YEAR(DEC)	$931,301	$939,307	$961,706	$958,539	$929,408	$2,732,042	$2,659,664	$2,485,714
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	4,016	4,016	4,279	4,206	4,318	9,359	12,872	12,872
AERIAL WIRE	8	8	8	5	6	6	0	0.15
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0.076
CARRIER CHANNEL(TELEPHONE)	2,144	2,144	2,173	2,373	2,374	2,824	3,473	3,473
NUMBER OF POLES	739	739	739	719	299	299	22	22
NUMBER OF CENTRAL OFFICES	2	2	2	2	2	2	2	2
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	678	620	620
ACCESS LINES(BUSINESS)	0	0	0	0	0	106	143	147
ACCESS LINES(PUBLIC)	0	0	0	0	0	7	7	7
ACCESS LINES(TOTAL)	0	0	0	0	0	791	770	774

TABLE 19.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

19 ST.JOHN COOP TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$1,454,914	$1,530,203	$1,717,135	$1,830,677	$1,965,654	$1,984,986	$2,025,703	$2,045,884
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	0	10,000	0	0	0	0	0	0
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	12,604	33,181	41,138	81,233
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	314,302	405,704	506,881	613,292	738,686	845,359	983,730	1,116,384
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$1,140,612	$1,134,499	$1,210,254	$1,217,385	$1,239,572	$1,172,808	$1,083,111	$1,010,733
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$1,100	$1,600
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	0	0	0	0	0	0	0	0
103	MISCELLANEOUS PHYSICAL PROPERTY	2,148	2,472	8,967	9,200	9,200	6,756	6,256	6,256
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	4,749	5,274	5,823	6,399	7,027	7,736	8,213	9,700
	TOTAL INVESTMENTS AND FUNDS	$6,897	$7,746	$14,790	$15,599	$16,227	$14,492	$15,569	$17,556
CURRENT ASSETS									
113	CASH	$33,772	$70,877	$108,619	$82,140	$64,464	$7,216	$67,917	$121,376
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	70	80	80	80	80	80	80	78
116	TEMPORARY CASH INVESTMENTS	42,462	50,592	72,850	109,382	119,471	191,847	249,778	236,115
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	246,744
117.2	OTHER NOTES RECEIVABLE	0	0	0	33,140	40,108	139,167	136,663	0
118	DUE FROM CUSTOMERS AND AGENTS	3,484	4,852	4,745	8,984	4,664	11,669	9,383	6,224
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	3,263	1,060	0	0	0	0	0	27,461
120.2	OTHER ACCOUNTS RECEIVABLE	32,642	7,424	27,556	11,751	11,892	37,700	31,656	9,124
121	INTEREST AND DIVIDENDS RECEIVABLE	524	1,149	4,037	0	0	0	0	0
122	MATERIAL AND SUPPLIES	15,452	15,476	13,984	12,730	26,808	26,798	29,693	40,071
123	OTHER CURRENT ASSETS	0	0	0	0	0	0	0	0
	TOTAL CURRENT ASSETS	$131,669	$151,510	$231,871	$258,207	$267,487	$414,477	$525,171	$687,193
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$269	$248	$226	$204	$203	$203	$141	$141
130	PREPAID TAXES	27,961	40,540	19,077	10,332	2,898	0	0	0
131	PREPAID INSURANCE	3,132	3,055	3,052	3,171	1,332	1,274	1,453	2,334
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	454	823	854	1,043	1,226	1,299	1,940	11,076
135	DISCOUNT ON LONG-TERM DEBT	3,804	3,642	3,481	3,320	3,158	2,998	2,837	2,675
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$35,620	$48,308	$26,690	$18,070	$8,817	$5,774	$6,370	$16,226
	TOTAL ASSETS AND OTHER DEBITS	$1,314,798	$1,342,063	$1,483,605	$1,509,261	$1,532,103	$1,607,551	$1,630,221	$1,731,708

TABLE 19.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

19 ST.JOHN COOP TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$40,580	$41,680	$41,380	$41,380	$41,380	$41,380	$40,280	$40,280
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	471,740	498,456	595,310	649,104	713,400	791,850	855,217	958,014
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$512,320	$540,136	$636,690	$690,484	$754,780	$833,230	$895,497	$998,294
LONG-TERM DEBT									
151.1	FUNDED DEBT	$639,518	$650,848	$681,163	$657,241	$632,842	$637,918	$610,445	$592,428
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$639,518	$650,848	$681,163	$657,241	$632,842	$637,918	$610,445	$592,428
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	62,488	50,390	52,245	31,969	19,396	22,493	8,369	28,283
160	CUSTOMERS' DEPOSITS	325	445	505	475	475	105	105	200
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	9,881	12,169	8,900	19,088	11,065	0	50	0
166	TAXES ACCRUED	4,638	2,670	5,888	4,647	3,184	4,217	15,904	30,546
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	60	90	120	150	180	0	0	0
	TOTAL CURRENT AND ACCRUED LIABILITIES	$77,392	$65,764	$67,658	$56,329	$34,300	$26,815	$24,428	$59,029
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	85,568	85,313	95,143	96,507	95,501	87,337	79,132	62,626
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	0	0	2,949	8,700	14,680	22,251	20,717	19,331
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$85,568	$85,313	$98,092	$105,207	$110,181	$109,588	$99,850	$81,957
	TOTAL LIABILITIES AND OTHER CREDITS	$1,314,798	$1,342,061	$1,483,603	$1,509,261	$1,532,103	$1,607,551	$1,630,221	$1,731,708

TABLE 19.3

BLOCK 3:
AUGUST 2, 1987

19 ST.JOHN COOP TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$85,436	$43,782	$110,512	$59,464	$75,417	$73,504	$51,445	$95,638
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$85,436	$43,782	$110,512	$59,464	$75,417	$73,504	$51,445	$95,638
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	
OTHER INCOME	3,566	6,416	11,227	21,746	14,708	23,365	45,511	37,926
MISCELLANEOUS DEDUCTIONS FROM INCOME	568	983	1,876	3,467	2,205	3,505	7,351	9,996
INTEREST ON FUNDED DEBT	9,135	12,817	13,111	13,438	12,960	12,763	12,548	11,998
OTHER FIXED CHARGES	174	246	736	166	217	349	168	170
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$79,125	$36,152	$106,016	$64,139	$74,743	$80,252	$76,889	$111,400
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$398,926	$471,740	$498,456	$595,311	$649,105	$713,401	$791,850	$855,217
CREDITS: NET INCOME(AS ABOVE)	$79,126	$36,152	$106,016	$64,139	$74,743	$80,252	$76,889	111,400
OTHER CREDITS	0	0	0	0	0	8,543	0	1,465
TOTAL CREDITS	$79,126	$36,152	$106,016	$64,139	$74,743	$88,795	$76,889	$112,865
DEBITS: DIVIDEND APPROPRIATIONS	$6,312	$8,336	$8,336	$10,345	$10,345	$10,345	$10,345	10,070
OTHER DEBITS	0	1,100	825	0	102	0	3,176	0
TOTAL DEBITS	$6,312	$9,436	$9,161	$10,345	$10,447	$10,345	$13,521	$10,070
BALANCE AT END OF YEAR	$471,740	$498,456	$595,311	$649,105	$713,401	$791,851	$855,218	$958,012

TABLE 19.4

BLOCK 4:
AUGUST 2, 1987

19 ST. JOHN CO-OPERATIVE TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$76,426	$87,980	$103,807	$106,500	$111,936	$122,870	$120,875	$124,978
ACCESS REVENUES	0	0	0	0	0	0	0	9,381
TOLL SERVICE	236,851	228,456	344,084	319,796	389,313	392,134	351,258	400,860
MISCELLANEOUS	726	787	4,109	3,591	2,754	1,571	2,982	3,079
UNCOLLECTIBLES - DEBIT	521	422	2,033	1,375	5,271	1,243	252	2,374
TOTAL OPERATING REVENUES	$313,482	$316,801	$449,967	$428,512	$498,732	$515,332	$474,863	$535,924
OPERATING REVENUE EXPENSES								
MAINTENANCE	$27,903	$31,963	$33,395	$38,278	$50,799	$69,091	$72,950	$63,292
DEPRECIATION AND AMORTIZATION	66,842	91,350	107,386	120,946	130,370	135,233	141,227	137,694
TRAFFIC	937	1,424	2,191	3,716	2,722	4,073	3,621	3,982
COMMERCIAL	8,393	12,545	11,426	16,814	20,559	21,977	19,267	23,310
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	65,901	98,827	109,416	132,468	153,548	147,318	135,532	148,142
OTHER OPERATING EXPENSES	13,872	19,983	21,873	26,125	26,496	31,692	30,941	32,847
TOTAL OPERATING REVENUE EXPENSES	$183,848	$256,092	$285,687	$338,347	$384,494	$409,384	$403,537	$409,267
INVESTMENT CREDIT - NET	$49,625	($131)	$9,847	$1,890	($1,005)	($8,164)	($8,204)	($16,506)
FEDERAL INCOME TAXES	(22,879)	(3,141)	13,571	(6,831)	5,229	6,576	5,934	24,926
OTHER OPERATING TAXES	17,453	20,200	27,403	29,891	28,617	26,461	23,686	23,985
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	2,949	5,751	5,980	7,571	(1,534)	0
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	(1,386)
TOTAL OPERATING TAXES	$44,199	$16,928	$53,770	$30,701	$38,821	$32,444	$19,881	$31,019
TOTAL OPERATING REV DEDUCTIONS	$228,047	$273,020	$339,457	$369,048	$423,315	$441,828	$423,418	$440,286
NET OPERATING INCOME	$85,435	$43,781	$110,510	$59,464	$75,417	$73,504	$51,445	$95,638
100.1 TELEPHONE PLANT IN SERVICE	$1,454,914	$1,530,203	$1,717,135	$1,830,677	$1,965,655	$1,984,986	$2,025,703	2,045,884
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	12,604	33,181	41,138	81,233
LESS: 171 & 172 DEP. & AMORT. RESERVES	314,302	405,704	506,881	613,292	738,686	845,359	983,730	1,116,384
NET TELEPHONE PLANT END OF YEAR(DEC)	$1,140,612	$1,124,499	$1,210,254	$1,217,385	$1,239,573	$1,172,808	$1,083,111	$1,010,733
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	5,224	5,261	5,262	5,265	5,265	5,265	5,265	5,265
AERIAL WIRE	1	1	1	0	0	0	0	0
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0
CARRIER CHANNEL(TELEPHONE)	0	0	0	0	0	0	0	0
NUMBER OF POLES	138	138	138	15	15	15	15	15
NUMBER OF CENTRAL OFFICES	1	1	1	1	1	1	1	1
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	489	468	457
ACCESS LINES(BUSINESS)	0	0	0	0	0	64	68	67
ACCESS LINES(PUBLIC)	0	0	0	0	0	4	4	4
ACCESS LINES(TOTAL)	0	0	0	0	560	557	540	528

TABLE 20.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 2, 1987

20 TELEPHONE UTILITIES - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$70,413,335	$82,268,833	$94,381,059	$103,274,075	$108,022,562	$116,875,524	$124,302,296	$132,563,044
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	1,601,459	2,095,457	1,835,468	1,097,117	3,640,368	1,166,967	3,299,489	1,244,523
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	222,714	178,859	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	131,386	111,921	92,456	73,132	73,132	73,132	73,132	73,132
171	LESS: DEPRECIATION RESERVE	14,394,629	16,555,478	18,829,985	23,473,568	28,097,771	30,630,833	34,980,805	40,896,780
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$57,974,265	$65,099,592	$77,478,998	$80,970,756	$83,638,291	$87,484,790	$92,694,112	$92,983,919
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	0	0	0	0	0	0	0	0
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	2,690	56,218	53,829
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	196,942	682,105
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$0	$0	$0	$0	$0	$2,690	$253,160	$735,934
CURRENT ASSETS									
113	CASH	$2,855	$3,255	$3,330	$3,330	$3,824	$4,174	$3,789	$4,050
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	0	0	0	0	0	0	0	0
116	TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	0
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	2,447,323	2,663,090	2,451,370	2,721,977	3,018,475	3,933,626	4,724,020	5,478,288
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	1,575,348	3,315,184
120.2	OTHER ACCOUNTS RECEIVABLE	110,784	671,666	471,518	3,791,208	4,101,938	1,596,640	146,929	89,047
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	1,436,334	1,210,828	1,628,968	1,714,856	1,007,635	979,738	881,697	1,198,865
123	OTHER CURRENT ASSETS	0	0	0	0	0	0	0	0
	TOTAL CURRENT ASSETS	$3,997,296	$4,548,839	$4,555,186	$8,231,371	$8,131,872	$6,514,178	$7,331,783	$10,085,434
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$0	$0	$0	$0	$0	$10,640	$6,808	$6,808
130	PREPAID TAXES	0	0	0	0	0	0	0	0
131	PREPAID INSURANCE	0	0	0	0	0	8,230	412	17,695
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	0	0	0	0	400	0	0	0
135	DISCOUNT ON LONG-TERM DEBT	134,156	127,957	113,883	103,928	94,260	85,446	80,965	92,987
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	916	4,000	5,868	193	55,338	0	(31)	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$135,072	$131,957	$119,751	$104,121	$149,998	$104,316	$88,154	$117,490
	TOTAL ASSETS AND OTHER DEBITS	$62,106,633	$72,780,388	$82,153,935	$89,306,248	$91,920,161	$94,105,974	$100,367,209	$103,922,777

TABLE 20.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 2, 1987

20 TELEPHONE UTILITIES - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$638,500	$638,500	$638,500	$638,500	$638,500	$638,500	$638,500	$638,500
152	PREMIUM ON CAPITAL STOCK	5,178,952	5,178,952	5,178,952	5,178,952	5,178,952	5,178,952	5,178,952	5,178,952
179	OTHER CAPITAL	3,969,690	3,969,690	3,969,690	3,969,690	3,969,690	3,969,690	3,969,690	3,969,690
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	19,183,964	22,443,916	25,248,748	29,162,083	33,563,226	38,617,013	43,525,647	47,136,384
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$28,971,106	$32,231,058	$35,035,890	$38,949,225	$43,350,368	$48,404,155	$53,312,789	$56,923,526
LONG-TERM DEBT									
151.1	FUNDED DEBT	$12,798,961	$12,036,746	$11,352,648	$10,667,700	$9,982,248	$9,296,247	$18,553,816	$17,501,057
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	800	5,000,000	5,000,000	5,000,000	0	0	0	0
	TOTAL LONG-TERM DEBT	$12,799,761	$17,036,746	$16,352,648	$15,667,700	$9,982,248	$9,296,247	$18,553,816	$17,501,057
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	5,000,000	5,000,000	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	8,748,385	9,230,663	15,093,717	16,833,010	11,941,904	8,603,325	415,840	303,790
159.2	OTHER ACCOUNTS PAYABLE	1,982,938	2,130,817	765,466	753,599	2,587,846	1,427,854	2,973,678	3,523,095
160	CUSTOMERS' DEPOSITS	69,378	92,782	190,758	218,606	235,989	143,471	109,891	138,410
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	671,860	525,393	565,984	614,296	611,559	655,537	608,186	636,218
165	OTHER CURRENT LIABILITIES	220,864	587,168	0	0	0	0	22,070	0
166	TAXES ACCRUED	686,628	641,574	1,220,236	1,405,420	1,047,205	1,202,867	1,819,433	1,865,810
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	121,866	127,183	88,090	81,759	446,637	121,483	145,067	223,984
	TOTAL CURRENT AND ACCRUED LIABILITIES	$12,501,919	$13,335,580	$17,924,251	$19,906,690	$21,871,140	$17,154,537	$6,094,165	$6,691,307
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	3,592,518	4,768,438	5,952,780	6,855,267	7,177,839	7,676,469	7,981,873	7,467,321
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	3,735,216	4,768,459	6,232,959	7,748,559	9,582,759	11,761,759	14,709,759	15,700,759
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	506,113	640,107	655,407	178,807	(44,193)	(187,193)	(285,193)	(361,193)
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$7,833,847	$10,177,004	$12,841,146	$14,782,633	$16,716,405	$19,251,035	$22,406,439	$22,806,887
	TOTAL LIABILITIES AND OTHER CREDITS	$62,106,633	$72,780,388	$82,153,935	$89,306,248	$91,920,161	$94,105,974	$100,367,209	$103,922,777

TABLE 20.3

BLOCK3 -- INCOME AND RETAINED EARNINGS
AUGUST 2, 1987

20 TELEPHONE UTILITIES -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$5,789,314	$7,423,437	$8,086,964	$7,563,466	$7,606,755	$9,323,883	$10,435,548	$9,262,940
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$5,789,314	$7,423,437	$8,086,964	$7,563,466	$7,606,755	$9,323,883	$10,435,548	$9,262,940
INTEREST CHARGED TO CONSTRUCTION	5,847	0	0	0	0	0	0	0
OTHER INCOME	(11,635)	4,000	8,666	4,250	(2,612)	(249,851)	(202,987)	(326,050)
MISCELLANEOUS DEDUCTIONS FROM INCOME	0	0	2,318	0	(870)	0	0	0
INTEREST ON FUNDED DEBT	1,082,654	1,229,543	1,925,451	1,583,446	873,188	780,708	763,230	1,694,163
OTHER FIXED CHARGES	38,794	192,392	106,679	410,835	734,432	640,842	463,125	30,850
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$4,662,078	$6,005,502	$6,061,182	$5,573,435	$5,997,393	$7,652,482	$9,006,206	$7,211,877
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$16,411,846	$19,183,964	$22,443,916	$25,248,748	$29,162,083	$33,563,226	$38,617,013	$43,525,647
CREDITS: NET INCOME(AS ABOVE)	$4,662,078	$6,005,502	$6,061,182	$5,573,435	$5,997,393	$7,652,482	$9,006,206	7,211,877
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$4,662,078	$6,005,502	$6,061,182	$5,573,435	$5,997,393	$7,652,482	$9,006,206	$7,211,877
DEBITS: DIVIDEND APPROPRIATIONS	$1,889,960	$2,745,550	$3,256,350	$1,660,100	$1,596,250	$2,598,695	$4,097,572	3,601,140
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$1,889,960	$2,745,550	$3,256,350	$1,660,100	$1,596,250	$2,598,695	$4,097,572	$3,601,140
BALANCE AT END OF YEAR	$19,183,964	$22,443,916	$25,248,748	$29,162,083	$33,563,226	$38,617,013	$43,525,647	$47,136,384

TABLE 20.4

BLOCK4: NET INCOME & PLANT STATS.
AUGUST 2, 1987

20 TELEPHONE UTILITIES OF WASHINGTON, INC. -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$6,803,658	$7,646,515	$8,305,498	$8,977,662	$9,440,849	$9,826,651	$9,335,066	$9,500,005
ACCESS REVENUES	0	0	0	0	0	30,355,782	33,059,248	33,385,749
TOLL SERVICE	16,535,872	21,831,819	23,542,982	28,498,617	29,107,473	326,251	122,643	0
MISCELLANEOUS	740,926	971,918	1,121,470	1,302,222	1,411,213	3,132,001	3,637,297	5,579,666
UNCOLLECTIBLES - DEBIT	197,644	328,669	368,100	293,097	258,086	109,203	75,668	81,760
TOTAL OPERATING REVENUES	$23,882,812	$30,121,583	$32,601,850	$38,485,404	$39,701,449	$43,531,482	$46,078,586	$48,383,660
OPERATING REVENUE EXPENSES								
MAINTENANCE	$4,962,273	$6,657,131	$6,870,114	$9,163,814	$8,578,744	$8,723,974	$8,386,958	$8,421,741
DEPRECIATION AND AMORTIZATION	4,088,291	4,767,596	5,425,518	6,573,594	6,738,885	6,822,307	7,009,681	9,506,585
TRAFFIC	180,135	209,995	256,563	528,346	578,681	533,863	354,948	1,054,950
COMMERCIAL	1,310,555	1,679,995	1,849,746	2,220,982	2,387,885	2,669,244	2,638,114	2,864,697
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	1,059,770	1,858,145	2,216,184	4,058,644	5,313,741	6,484,628	6,020,555	6,542,362
OTHER OPERATING EXPENSES	831,417	1,037,728	1,268,442	2,121,932	2,346,908	1,519,958	2,453,952	3,226,936
TOTAL OPERATING REVENUE EXPENSES	$12,432,441	$16,210,590	$17,886,567	$24,667,312	$25,964,844	$26,753,974	$26,864,208	$31,617,271
INVESTMENT CREDIT - NET	$1,167,000	$1,017,600	$1,064,000	$638,700	$375,000	$474,000	$225,000	($342,000)
FEDERAL INCOME TAXES	1,883,000	2,593,900	2,097,200	2,385,000	2,206,000	3,139,000	3,746,000	4,809,000
OTHER OPERATING TAXES	1,818,057	1,708,756	1,987,319	2,191,926	1,855,850	1,804,625	1,957,830	2,121,449
OPERATING FED.INCOME TAX DEFER - ACC.DEP	717,000	1,033,300	1,464,500	1,515,600	1,936,000	2,179,000	2,948,000	991,000
OPER.FED. INCOME TAX DEFER - OTHER	76,000	134,000	15,300	(476,600)	(223,000)	(143,000)	(98,000)	(76,000)
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$5,661,057	$6,487,556	$6,628,319	$6,254,626	$6,149,850	$7,453,625	$8,778,830	$7,503,449
TOTAL OPERATING REV DEDUCTIONS	$18,093,498	$22,698,146	$24,514,886	$30,921,938	$32,094,694	$34,207,599	$35,643,038	$39,120,720
NET OPERATING INCOME	$5,789,314	$7,423,437	$8,086,964	$7,563,466	$7,606,755	$9,323,883	$10,435,548	$9,262,940
100.1 TELEPHONE PLANT IN SERVICE	$70,413,335	$82,268,833	$94,381,059	$103,274,075	$108,022,562	$108,022,562	$124,302,296	132,563,044
100.3 PROPERTY HELD FOR FUTURE USE	222,714	178,859	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	14,394,629	16,555,478	18,829,985	23,473,568	28,097,771	28,097,771	34,980,805	40,896,780
NET TELEPHONE PLANT END OF YEAR(DEC)	$56,241,420	$65,892,214	$75,551,074	$79,800,507	$79,924,791	$79,924,791	$89,321,491	$91,666,264
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	387,376	445,982	488,013	628,672	637,566	651,927	656,343	668,114
AERIAL WIRE	7,158	6,578	5,979	5,899	5,540	5,345	5,313	5,294
UNDERGROUND CONDUIT (SINGLE DUCT)	77	90	90	109	112	112	112	112
CARRIER CHANNEL(TELEPHONE)	40,220	58,445	80,389	108,370	117,598	126,150	130,232	159,912
NUMBER OF POLES	37,975	35,912	33,496	32,189	29,636	26,570	24,824	24,264
NUMBER OF CENTRAL OFFICES	49	48	47	50	49	48	45	46
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	55,227	56,383	57,832
ACCESS LINES(BUSINESS)	0	0	0	0	0	9,384	9,906	10,284
ACCESS LINES(PUBLIC)	0	0	0	0	0	649	683	685
ACCESS LINES(TOTAL)	0	0	0	0	66,228	65,260	66,972	68,801

TABLE 21.1

1 BLOCK1: BALANCE SHEET -- ASSETS
2 AUGUST 3, 1987

21 TENINO TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
6	TELEPHONE PLANT								
8	100.1 TELEPHONE PLANT IN SERVICE	$3,183,837	$3,504,016	$3,944,018	$4,150,679	$4,445,038	$4,773,492	$5,057,650	$5,543,546
9	100.2 TELEPHONE PLANT UNDER CONSTRUCTION	0	0	0	0	0	1,200	24,138	0
10	100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
11	100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
12	171 LESS: DEPRECIATION RESERVE	585,281	777,322	994,737	1,223,497	1,447,701	1,711,794	1,976,860	2,290,014
13	172 AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
15	TOTAL NET TELEPHONE PLANT	$2,598,556	$2,726,694	$2,949,281	$2,927,182	$2,997,337	$3,062,898	$3,104,928	$3,253,532
17	INVESTMENTS AND FUNDS								
19	101.1 INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$78,992
20	101.2 ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
21	102 OTHER INVESTMENTS	54,840	55,730	65,554	66,074	68,854	70,304	76,430	0
22	103 MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	0	0	0
23	104 SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
24	106 NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
25	136 PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
27	TOTAL INVESTMENTS AND FUNDS	$54,840	$55,730	$65,554	$66,074	$68,854	$70,304	$76,430	$78,992
29	CURRENT ASSETS								
31	113 CASH	$168,843	$220,440	$303,539	$356,691	$484,517	$721,697	$953,601	$964,274
32	114 SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
33	115 WORKING FUNDS	0	0	0	0	0	0	0	0
34	116 TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	0
35	117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
36	117.2 OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
37	118 DUE FROM CUSTOMERS AND AGENTS	83,845	85,053	114,943	104,926	109,826	126,087	123,439	113,272
38	120.1 ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
39	120.2 OTHER ACCOUNTS RECEIVABLE	6,000	0	0	39,300	81,300	91,063	29,168	91,395
40	121 INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	797	0	0	0
41	122 MATERIAL AND SUPPLIES	0	0	0	0	1,972	0	0	0
42	123 OTHER CURRENT ASSETS	0	68,719	0	0	0	10,044	4,131	4,131
44	TOTAL CURRENT ASSETS	$258,688	$374,212	$418,482	$500,917	$678,412	$948,891	$1,110,339	$1,173,072
46	PREPAID ACCOUNTS AND DEFERRED CHARGES								
48	129 PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
49	130 PREPAID TAXES	9,714	24,207	0	0	0	0	0	0
50	131 PREPAID INSURANCE	0	0	0	0	0	0	0	0
51	132 PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
52	133 OTHER PREPAYMENTS	0	0	0	0	0	0	23,989	17,443
53	135 DISCOUNT ON LONG-TERM DEBT	2,742	2,646	2,550	2,454	2,358	2,261	2,165	2,069
54	138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
55	139 OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
57	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$12,456	$26,853	$2,550	$2,454	$2,358	$2,261	$26,154	$19,512
59	TOTAL ASSETS AND OTHER DEBITS	$2,924,540	$3,183,489	$3,435,867	$3,496,627	$3,746,961	$4,084,354	$4,317,851	$4,525,108

TABLE 21.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 3, 1987

21 TENINO TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$97,200	$97,200	$97,200	$97,200	$97,200	$97,200	$97,200	$97,200
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	1,070,353	1,115,084	1,272,390	1,432,309	1,638,000	1,860,123	2,130,105	2,371,794
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$1,167,553	$1,212,284	$1,369,590	$1,529,509	$1,735,200	$1,957,323	$2,227,305	$2,468,994
LONG-TERM DEBT									
151.1	FUNDED DEBT	$1,552,803	$1,615,454	$1,714,402	$1,682,767	$1,650,684	$1,615,445	$1,578,808	$1,540,834
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$1,552,803	$1,615,454	$1,714,402	$1,682,767	$1,650,684	$1,615,445	$1,578,808	$1,540,834
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	66,121	60,410	58,429	10,000	15,445	66,842	30,822	25,378
160	CUSTOMERS' DEPOSITS	0	0	0	0	0	0	0	0
162	MATURED INTEREST AND DIVIDENDS	6,309	10,800	12,161	12,000	12,050	12,050	12,050	12,050
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	4,050	135,626	66,200	0	0	0	0	0
166	TAXES ACCRUED	29,644	44,890	57,166	66,602	73,647	107,302	80,144	47,718
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	0	0	0	0	0	0	0	0
	TOTAL CURRENT AND ACCRUED LIABILITIES	$106,124	$251,726	$193,956	$88,602	$101,142	$186,194	$123,016	$85,146
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	98,060	104,025	143,432	152,301	172,116	183,735	191,287	174,170
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	0	0	14,487	43,448	87,819	141,657	197,435	255,964
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$98,060	$104,025	$157,919	$195,749	$259,935	$325,392	$388,722	$430,134
	TOTAL LIABILITIES AND OTHER CREDITS	$2,924,540	$3,183,489	$3,435,867	$3,496,627	$3,746,961	$4,084,354	$4,317,851	$4,525,108

TABLE 21.3

BLOCK 3:
AUGUST 3, 1987

21 TENINO TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$238,884	$111,598	$231,468	$222,455	$273,010	$327,634	$363,893	$304,707
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$238,884	$111,598	$231,468	$222,455	$273,010	$327,634	$363,893	$304,707
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	0
OTHER INCOME	3,403	12,125	11,172	26,885	19,792	39,167	52,307	82,423
MISCELLANEOUS DEDUCTIONS FROM INCOME	670	1,759	4,411	2,638	2,070	2,741	5,679	6,238
INTEREST ON FUNDED DEBT	52,227	77,137	80,827	85,512	84,709	83,520	82,123	80,787
OTHER FIXED CHARGES	96	96	96	1,271	332	97	96	96
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$189,294	$44,731	$157,306	$159,919	$205,691	$280,443	$328,302	$300,009
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$881,059	$1,070,353	$1,115,084	$1,272,390	$1,432,309	$1,638,000	$1,860,123	$2,130,105
CREDITS: NET INCOME(AS ABOVE)	$189,294	$44,731	$157,306	$159,919	$205,691	$280,443	$328,302	300,009
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$189,294	$44,731	$157,306	$159,919	$205,691	$280,443	$328,302	$300,009
DEBITS: DIVIDEND APPROPRIATIONS	$0	$0	$0	$0	$0	$58,320	$58,320	58,320
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$0	$0	$0	$0	$0	$58,320	$58,320	$58,320
BALANCE AT END OF YEAR	$1,070,353	$1,115,084	$1,272,390	$1,432,309	$1,638,000	$1,860,123	$2,130,105	$2,371,794

TABLE 21.4

BLOCK 4:
AUGUST 3, 1987

21 TENINO TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$170,643	$187,302	$203,048	$216,545	$266,676	$298,246	$297,750	$324,236
ACCESS REVENUES	0	0	0	0	0	1,073,738	1,079,863	1,086,181
TOLL SERVICE	636,843	590,971	870,514	987,557	1,056,115	142,949	149,872	146,990
MISCELLANEOUS	4,025	10,578	9,487	17,219	13,549	24,205	60,661	41,979
UNCOLLECTIBLES - DEBIT	2,221	(4,118)	(3,437)	975	6,626	14,785	(5,549)	2,630
TOTAL OPERATING REVENUES	$809,290	$792,969	$1,086,486	$1,220,346	$1,329,714	$1,524,353	$1,593,695	$1,596,756
OPERATING REVENUE EXPENSES								
MAINTENANCE	$104,084	$106,520	$137,264	$168,844	$162,908	$174,290	$158,534	$166,516
DEPRECIATION AND AMORTIZATION	117,302	192,536	211,503	226,055	236,391	244,512	260,824	283,450
TRAFFIC	3,192	3,781	5,109	17,406	1,702	7,295	6,551	65
COMMERCIAL	29,732	54,646	57,154	74,073	70,537	62,988	63,882	89,944
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	158,860	185,832	203,338	235,492	267,962	313,855	307,828	313,504
OTHER OPERATING EXPENSES	61,906	84,284	91,080	106,992	88,452	105,639	113,046	137,078
TOTAL OPERATING REVENUE EXPENSES	$475,076	$627,599	$705,448	$828,862	$827,952	$908,579	$910,665	$990,557
INVESTMENT CREDIT - NET	28,362	5,965	39,407	8,869	19,815	11,619	7,552	($17,117)
FEDERAL INCOME TAXES	2,688	(14,211)	28,569	57,989	87,563	150,975	185,400	192,132
OTHER OPERATING TAXES	64,280	62,018	67,107	73,210	77,003	71,708	70,407	67,948
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	14,487	28,961	44,371	53,838	55,778	58,529
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$95,330	$53,772	$149,570	$169,029	$228,752	$288,140	$319,137	$301,492
TOTAL OPERATING REV DEDUCTIONS	$570,406	$681,371	$855,018	$997,891	$1,056,704	$1,196,719	$1,229,802	$1,292,049
NET OPERATING INCOME	$238,884	$111,598	$231,468	$222,455	$273,010	$327,634	$363,893	$304,707
100.1 TELEPHONE PLANT IN SERVICE	$3,183,837	$3,504,016	$3,944,018	$4,150,679	$4,445,038	$4,773,492	$5,057,650	5,543,546
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	585,281	777,322	994,737	1,223,497	1,447,701	1,711,794	1,976,860	2,290,014
NET TELEPHONE PLANT END OF YEAR(DEC)	$2,598,556	$2,726,694	$2,949,281	$2,927,182	$2,997,337	$3,061,698	$3,080,790	$3,253,532
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	16,436	16,436	18,033	18,382	18,743	20,681	20,870	20,944
AERIAL WIRE	12	12	10	10	10	10	10	10
UNDERGROUND CONDUIT (SINGLE DUCT)	3	3	3	3	4	5	5	5
CARRIER CHANNEL(TELEPHONE)	0	0	0	0	0	0	0	0
NUMBER OF POLES	625	625	625	625	625	625	625	0
NUMBER OF CENTRAL OFFICES	1	1	1	1	1	2	2	2
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,557	1,621	1,569
ACCESS LINES(BUSINESS)	0	0	0	0	0	262	277	276
ACCESS LINES(PUBLIC)	0	0	0	0	0	22	20	23
ACCESS LINES(TOTAL)	0	0	0	0	1,815	1,841	1,918	1,868

TABLE 22.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 3, 1987

22 TOLEDO TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$2,085,693	$2,310,813	$2,469,216	$2,534,461	$2,576,994	$2,637,281	$2,722,599	$2,778,704
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	59,023	48,521	26,651	26,651	30,104	30,536	30,071	36,316
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	507,587	632,695	745,402	918,142	1,094,699	1,231,862	1,393,438	1,570,774
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$1,637,129	$1,726,639	$1,750,465	$1,642 970	$1,512,399	$1,435,955	$1,359,232	$1,244,246
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$500	$500	$500	$500
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	19,706	72,793	119,663	118,930
102	OTHER INVESTMENTS	51,175	90,175	104,150	131,530	65,042	52,853	57,776	56,431
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	2,982	0	0	0	0	0
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$51,175	$90,175	$107,132	$131,530	$85,248	$126,146	$177,939	$175,861
CURRENT ASSETS									
113	CASH	$16,583	$22,627	$94,205	$23,717	$23,396	$73,631	$214,197	$282,246
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	0	0	0	0	0	0	0	0
116	TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	0
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	50,112	61,169	76,449	59,253	78,795	76,656	84,684	87,712
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
120.2	OTHER ACCOUNTS RECEIVABLE	0	40,163	29,600	71,917	224,749	177,612	66,210	59,359
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0
122	MATERIAL AND SUPPLIES	0	0	0	0	0	0	0	0
123	OTHER CURRENT ASSETS	0	0	0	32,616	32,376	23,091	13,821	17,073
	TOTAL CURRENT ASSETS	$66,695	$123,959	$200,254	$187,503	$359,316	$350,990	$378,912	$446,390
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	1,694	395	400	0	0	0	0	0
131	PREPAID INSURANCE	450	381	76	8,569	0	0	0	0
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	0	0	0	0	0	6,753	6,405	1,857
135	DISCOUNT ON LONG-TERM DEBT	4,277	4,131	3,985	3,838	3,691	3,544	3,399	3,253
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	1,146	1,624	1,943	1,943	1,943	1,943	1,943	1,943
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$7,567	$6,531	$6,404	$14,350	$5,634	$12,240	$11,747	$7,053
	TOTAL ASSETS AND OTHER DEBITS	$1,762,566	$1,947,304	$2,064,255	$1,976,353	$1,962,597	$1,925,331	$1,927,830	$1,873,550

TABLE 22.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 3, 1987

22 TOLEDO TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$23,000	$23,000	$23,000	$23,000	$23,000	$23,000	$23,000	$23,000
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAPITAL	0	0	0	0	0	0	0	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	402,684	459,767	510,868	400,327	448,897	453,851	460,847	344,510
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$425,684	$482,767	$533,868	$423,327	$471,897	$476,851	$483,847	$367,510
LONG-TERM DEBT									
151.1	FUNDED DEBT	$1,125,488	$1,287,135	$1,384,184	$1,351,219	$1,326,307	$1,289,504	$1,251,733	$1,212,946
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	31,956	20,335	8,715
	TOTAL LONG-TERM DEBT	$1,125,488	$1,287,135	$1,384,184	$1,351,219	$1,326,307	$1,321,460	$1,272,068	$1,221,661
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	94,347	55,000	0	65,000	25,000	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	92,283	79,723	95,030	87,056	85,884	75,983	123,590	236,129
160	CUSTOMERS' DEPOSITS	1,257	1,785	2,943	2,460	2,394	2,678	1,880	3,470
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	924	1,919	3,200	3,872	5,899	3,662	3,619	3,571
166	TAXES ACCRUED	3,222	9,209	8,524	8,995	12,186	13,061	12,584	12,361
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	0	0	0	0	0	0	0	0
	TOTAL CURRENT AND ACCRUED LIABILITIES	$192,033	$147,636	$109,697	$167,383	$131,363	$95,384	$141,673	$255,531
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	19,361	29,766	36,506	34,424	33,030	31,636	30,242	28,848
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	0	0	0	0	0	0	0	0
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$19,361	$29,766	$36,506	$34,424	$33,030	$31,636	$30,242	$28,848
	TOTAL LIABILITIES AND OTHER CREDITS	$1,762,566	$1,947,304	$2,064,255	$1,976,353	$1,962,597	$1,925,331	$1,927,830	$1,873,550

TABLE 22.3

BLOCK 3:
AUGUST 3, 1987

22 TOLEDO TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

NET INCOME	1979	1980	1981	1982	1983	1984	1985	1986
NET OPERATING INCOME -WASHINGTON	$75,264	$96,463	$95,143	($57,660)	$97,190	$59,124	$56,282	($60,012)
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$75,264	$96,463	$95,143	($57,660)	$97,190	$59,124	$56,282	($60,012)
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	9,983
OTHER INCOME	0	1,167	2,763	(5,451)	4,735	(8,697)	(3,921)	(7,520)
MISCELLANEOUS DEDUCTIONS FROM INCOME	1,081	1,151	777	1,962	440	580	940	15,559
INTEREST ON FUNDED DEBT	22,868	31,859	37,759	43,673	43,144	42,429	41,436	40,528
OTHER FIXED CHARGES	9,623	7,537	8,269	1,795	9,771	2,464	2,989	2,701
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$41,692	$57,083	$51,101	($110,541)	$48,570	$4,954	$6,996	($116,337)

RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$360,992	$402,684	$459,767	$510,868	$400,327	$448,897	$453,851	$460,847
CREDITS: NET INCOME(AS ABOVE)	$41,692	$57,083	$51,101	($110,541)	$48,570	$4,954	$6,996	(116,337)
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$41,692	$57,083	$51,101	($110,541)	$48,570	$4,954	$6,996	($116,337)
DEBITS: DIVIDEND APPROPRIATIONS	$0	$0	$0	$0	$0	$0	$0	0
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$0	$0	$0	$0	$0	$0	$0	$0
BALANCE AT END OF YEAR	$402,684	$459,767	$510,868	$400,327	$448,897	$453,851	$460,847	$344,510

TABLE 22.4

BLOCK 4:
AUGUST 3, 1987

22 TOLEDO TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$113,562	$151,713	$150,598	$157,153	$170,246	$217,289	$201,016	$202,905
ACCESS REVENUES	0	0	0	0	0	0	672,408	579,754
TOLL SERVICE	559,632	607,914	683,886	663,852	714,172	695,110	41,084	49,065
MISCELLANEOUS	30,473	30,376	27,901	36,586	40,937	30,132	129,623	144,165
UNCOLLECTIBLES - DEBIT	3,902	1,218	(846)	3,939	8,625	9,788	10,998	4,007
TOTAL OPERATING REVENUES	$699,765	$788,785	$863,231	$853,652	$916,730	$932,743	$1,033,133	$971,882
OPERATING REVENUE EXPENSES								
MAINTENANCE	$92,621	$115,557	$108,087	$156,827	$124,189	$130,817	$162,023	$171,960
DEPRECIATION AND AMORTIZATION	106,804	121,393	133,718	154,499	157,689	160,309	161,869	164,549
TRAFFIC	3,056	3,824	6,077	5,348	1,712	13,421	19,040	20,333
COMMERCIAL	45,933	57,126	59,563	95,713	97,124	79,243	90,028	102,000
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	222,208	236,258	266,164	279,868	262,375	280,120	296,737	322,749
OTHER OPERATING EXPENSES	92,214	97,054	131,011	161,880	118,853	163,421	201,971	206,536
TOTAL OPERATING REVENUE EXPENSES	$562,836	$631,212	$704,620	$854,135	$761,942	$827,331	$931,668	$988,127
INVESTMENT CREDIT - NET	$6,769	$8,812	$5,147	($3,675)	($2,987)	($2,987)	($2,987)	($2,987)
FEDERAL INCOME TAXES	260	475	(285)	0	0	0	0	0
OTHER OPERATING TAXES	55,114	52,301	58,925	60,852	60,585	49,275	48,170	46,754
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	0	0	0	0	0	0
OPER.FED. INCOME TAX DEFER - OTHER	(478)	(478)	(319)	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$61,665	$61,110	$63,468	$57,177	$57,598	$46,288	$45,183	$43,767
TOTAL OPERATING REV DEDUCTIONS	$624,501	$692,322	$768,088	$911,312	$819,540	$873,619	$976,851	$1,031,894
NET OPERATING INCOME	$75,264	$96,463	$95,143	($57,660)	$97,190	$59,124	$56,282	($60,012)
100.1 TELEPHONE PLANT IN SERVICE	$2,085,693	$2,310,813	$2,469,216	$2,534,461	$2,576,994	$2,637,281	$2,722,599	2,778,704
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	36,316
LESS: 171 & 172 DEP. & AMORT. RESERVES	507,587	632,695	745,402	918,142	1,094,699	1,231,862	1,393,438	1,570,774
NET TELEPHONE PLANT END OF YEAR(DEC)	$1,578,106	$1,678,118	$1,723,814	$1,616,319	$1,482,295	$1,405,419	$1,329,161	$1,244,246
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	6,664	6,868	7,400	7,400	7,400	7,400	7,407	7,407
AERIAL WIRE	0	0	0	0	0	0	0	0
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0
CARRIER CHANNEL(TELEPHONE)	684	791	1,484	1,484	1,485	613	1,484	1,485
NUMBER OF POLES	153	152	152	152	152	152	152	152
NUMBER OF CENTRAL OFFICES	1	1	1	1	1	1	1	1
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,029	1,017	1,023
ACCESS LINES(BUSINESS)	0	0	0	0	0	211	212	217
ACCESS LINES(PUBLIC)	0	0	0	0	0	23	23	21
ACCESS LINES(TOTAL)	0	0	0	0	1,242	1,263	1,252	1,261

TABLE 23.1

BLOCK1: BALANCE SHEET -- ASSETS
TOTAL COMPANY
AUGUST 3, 1987

23 UNITED TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$138,525,470	$152,505,418	$166,760,118	$177,533,251	$183,964,883	$193,917,391	$203,600,578	$211,912,122
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	5,667,676	2,402,756	4,117,071	3,018,382	4,815,497	3,487,887	2,060,308	3,053,962
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	3,240	0	174,283	144,807	69,304	69,749	59,083	56,776
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	(2,651,664)
171	LESS: DEPRECIATION RESERVE	27,921,895	30,693,341	36,967,076	42,863,968	53,424,113	63,486,124	72,610,501	82,664,874
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	(883,886)
	TOTAL NET TELEPHONE PLANT	$116,274,491	$124,214,833	$134,084,396	$137,832,472	$135,425,571	$133,988,903	$133,109,468	$130,590,208
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$180,000	$180,000	$180,000	$180,000	$180,000	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	500,000	500,000	500,000	500,000	375,000	0	0	0
102	OTHER INVESTMENTS	97,371	14,337	10,894	8,606	12,000	2,000	2,000	2,000
103	MISCELLANEOUS PHYSICAL PROPERTY	11,072	9,600	110,202	214,111	539,901	548,576	561,841	634,995
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	175,000	175,000	242,000	282,000	227,000	142,000	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	2,079,496	1,428,684
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$963,443	$878,937	$1,043,096	$1,184,717	$1,333,901	$692,576	$2,643,337	$2,065,679
CURRENT ASSETS									
113	CASH	($361,937)	$796,369	($1,336,609)	$403,639	($2,196,638)	($1,963,341)	($404,540)	($687,907)
114	SPECIAL CASH DEPOSITS	28,777	125,475	97,474	97,474	103,887	103,988	183,988	655,678
115	WORKING FUNDS	133,462	(9,764)	32,224	21,788	17,414	13,221	17,005	15,304
116	TEMPORARY CASH INVESTMENTS	0	0	0	0	0	500,000	0	1,500,000
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	4,314	153,984	53,458	46,401	17,000	51,610	50,410	38,218
118	DUE FROM CUSTOMERS AND AGENTS	3,100,144	3,346,812	3,594,650	3,917,042	5,079,110	4,026,907	4,491,274	5,647,373
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	62,584	105,593	132,426	13,065	74,972	16,831	0	756
120.2	OTHER ACCOUNTS RECEIVABLE	2,781,971	4,235,507	4,467,953	1,248,301	5,550,239	8,929,222	11,427,632	7,279,675
121	INTEREST AND DIVIDENDS RECEIVABLE	(86)	0	0	0	625	(1)	0	2,279
122	MATERIAL AND SUPPLIES	2,623,919	2,522,275	2,519,946	1,871,899	1,969,880	2,534,827	2,134,679	1,024,249
123	OTHER CURRENT ASSETS	16,382	12,379	5,212	7,281	44,532	24,565	42,183	734
	TOTAL CURRENT ASSETS	$8,389,530	$11,288,630	$9,566,734	$7,626,890	$10,661,021	$14,237,829	$17,942,631	$15,476,359
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$6,589	$206,987	$133,546	$305,048	$246,010	$218,491	$24,144	$8,321
130	PREPAID TAXES	0	0	0	0	0	0	0	0
131	PREPAID INSURANCE	12,984	13,494	22,403	22,128	17,818	19,385	103,675	62,979
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	25,872	21,198	21,508	47,655
133	OTHER PREPAYMENTS	11,539	21,465	28,600	78,103	124,613	35,391	101,832	35,862
135	DISCOUNT ON LONG-TERM DEBT	411,110	390,861	368,142	346,023	88	303,803	283,492	263,536
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	623,719	592,945	679,823	694,226	834,022	925,451	824,448	787,542
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$1,065,941	$1,225,752	$1,232,514	$1,445,528	$1,572,785	$1,523,719	$1,359,099	$1,205,895
	TOTAL ASSETS AND OTHER DEBITS	$126,693,405	$137,608,152	$145,926,740	$148,089,607	$148,993,278	$150,443,027	$155,054,535	$149,338,141

TABLE 23.2

1 BLOCK 2: BALANCE SHEET -- LIABILITIES
2 TOTAL COMPANY
3 AUGUST 3, 1987

23 UNITED TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
6	STOCKHOLDERS EQUITY								
8	150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$17,265,232	$17,265,232	$17,265,232	$17,265,232	$17,265,232	$17,265,232	$17,265,232	$17,265,232
9	152 PREMIUM ON CAPITAL STOCK	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579
10	179 OTHER CAPITAL	33,198	33,198	33,198	33,198	33,198	0	0	0
11	180 RETAINED EARNINGS RESERVED	13,604,773	20,514,419	20,514,419	20,514,419	20,514,419	20,514,419	20,514,419	20,393,000
12	181 UNAPPROPRIATED RETAINED EARNINGS	16,490,172	16,788,495	22,530,262	24,763,812	22,502,500	22,891,625	21,427,903	20,012,473
13	134.1 LESS: DISCOUNT ON CAPITAL STOCK	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
14	134.2 CAPITAL STOCK EXPENSE	87,932	87,932	87,932	87,932	87,932	86,682	87,390	86,682
16	TOTAL NET STOCKHOLDERS' EQUITY	$47,303,022	$54,510,991	$60,252,758	$62,486,308	$60,224,996	$60,582,173	$59,117,743	$57,581,602
18	LONG-TERM DEBT								
20	151.1 FUNDED DEBT	$50,710,000	$49,975,500	$49,212,500	$48,424,000	$47,614,500	$46,829,000	$45,954,000	$45,295,000
21	156 ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
22	157 OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
24	TOTAL LONG-TERM DEBT	$50,710,000	$49,975,500	$49,212,500	$48,424,000	$47,614,500	$46,829,000	$45,954,000	$45,295,000
26	CURRENT AND ACCRUED LIABILITIES								
28	158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
29	158.2 OTHER NOTES PAYABLE	7,500,000	4,500,000	3,300,000	3,400,000	5,300,000	500,000	4,000,000	0
30	159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	101,489	131,777	500,282	1,063,210	680,159	798,347	1,046,650	604,122
31	159.2 OTHER ACCOUNTS PAYABLE	1,746,137	2,179,916	3,428,336	2,221,440	3,388,692	7,739,013	6,243,327	9,083,327
32	160 CUSTOMERS' DEPOSITS	267,013	348,580	414,148	491,956	515,686	523,019	530,482	511,621
33	162 MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
34	163 MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
35	164 ADVANCE BILLING AND PAYMENTS	342,721	388,899	418,376	536,686	433,734	511,456	510,821	756,816
36	165 OTHER CURRENT LIABILITIES	167,776	621,530	1,324,765	718,631	977,485	870,317	2,274,429	2,182,989
37	166 TAXES ACCRUED	516,944	3,821,977	3,382,943	2,745,651	2,342,521	2,547,888	3,307,582	2,194,434
38	167 UNMATURED INTEREST, DIV. & RENTS ACCRUED	1,271,404	1,390,877	1,243,395	1,156,336	1,044,971	1,077,299	1,420,303	1,800,547
40	TOTAL CURRENT AND ACCRUED LIABILITIES	$11,913,484	$13,383,556	$14,012,245	$12,333,910	$14,683,248	$14,567,339	$19,333,594	$17,133,856
42	DEFERRED CREDITS AND OPERATING RESERVES								
44	168 PREMIUM ON LONG-TERM DEBT	($1)	$0	$0	$0	$0	$0	$0	$0
45	169 INSURANCE RESERVES	0	0	0	0	0	0	0	0
46	170 PROVIDENT RESERVES	0	0	0	0	0	0	0	0
47	174 OTHER DEFERRED CREDITS	7,134,191	8,468,819	9,745,732	10,398,481	10,244,807	10,821,077	11,097,993	8,700,873
48	176.1 ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	9,632,709	11,269,286	12,703,505	14,446,908	16,225,727	17,643,438	19,551,205	19,531,232
49	176.2 ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	1,095,578
51	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$16,766,899	$19,738,105	$22,449,237	$24,845,389	$26,470,534	$28,464,515	$30,649,198	$29,327,683
53	TOTAL LIABILITIES AND OTHER CREDITS	$126,693,405	$137,608,152	$145,926,740	$148,089,607	$148,993,278	$150,443,027	$155,054,535	$149,338,141

BLOCK3 -- INCOME AND RETAINED EARNINGS
TOTAL COMPANY
AUGUST 3, 1987

23 UNITED TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

	1979	1980	1981	1982	1983	1984	1985	1986
NET INCOME								
NET OPERATING INCOME -WASHINGTON	$6,687,125	$7,651,667	$8,162,950	$8,091,395	$8,419,011	$7,580,726	$8,575,360	$8,338,759
-OTHER STATES	3,212,476	5,063,386	5,784,817	5,223,089	5,874,239	8,975,955	7,375,491	6,392,411
TOTAL NET OPERATING INCOME	$9,899,601	$12,715,053	$13,947,767	$13,314,484	$14,293,250	$16,556,681	$15,950,851	$14,731,170
INTEREST CHARGED TO CONSTRUCTION	368,434	209,095	83,644	0	65,486	52,128	137,799	0
OTHER INCOME	132,912	246,009	335,743	391,147	(191,405)	(121,086)	(57,428)	91,331
MISCELLANEOUS DEDUCTIONS FROM INCOME	38,054	191,848	391,743	810,533	89,715	178,191	304,127	411,569
INTEREST ON FUNDED DEBT	3,471,699	4,397,082	4,325,968	4,252,460	4,172,064	4,122,417	4,040,024	3,972,217
OTHER FIXED CHARGES	1,410,573	1,358,161	684,770	778,774	420,707	613,645	334,511	123,769
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	200,000	0	31,500
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	66,800	0	15,765
NET INCOME	$5,480,621	$7,223,066	$8,964,673	$7,863,864	$9,484,845	$11,706,670	$11,352,560	$10,330,681
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$12,356,240	$16,490,172	$16,610,269	$22,530,262	$24,763,812	$23,031,645	$22,891,625	21,547,938
CREDITS: NET INCOME(AS ABOVE)	$5,480,621	$7,223,066	$8,964,673	$7,863,864	$9,484,845	$11,706,670	$11,352,560	10,329,858
OTHER CREDITS	0	0	0	0	8	0	0	0
TOTAL CREDITS	$5,480,621	$7,223,066	$8,964,673	$7,863,864	$9,484,853	$11,706,670	$11,352,560	$10,329,858
DEBITS: DIVIDEND APPROPRIATIONS	$1,346,657	$15,000	$3,044,571	$5,630,281	$11,746,165	$11,846,690	$12,816,282	11,866,146
OTHER DEBITS	32	6,909,743	109	33	0	0	0	0
TOTAL DEBITS	$1,346,689	$6,924,743	$3,044,680	$5,630,314	$11,746,165	$11,846,690	$12,816,282	$11,866,146
BALANCE AT END OF YEAR	$16,490,172	$16,788,495	$22,530,262	$24,763,812	$22,502,500	$22,891,625	$21,427,903	$20,011,650

Line 12, 1981: $178,226 less than 1980 ending due to restatement of 1980 earning to comply with FASB 43

Line 12, 1983: Does not agree with prior year end due to sale of subsidiary company and subsequent change in accounting treatme

TABLE 23.4

1 BLOCK4: NET INCOME & PLANT STATS.
2 STATE
3 AUGUST 3, 1987

23 UNITED TELEPHONE COMPANY -- WASHINGTON OPERATIONS ONLY
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
6 OPERATING REVENUES								
8 LOCAL SERVICE	$6,948,700	$7,880,178	$9,885,750	$10,007,464	$9,927,659	$9,521,406	$9,542,964	$9,099,805
9 ACCESS REVENUES	0	0	0	0	0	15,279,896	19,799,154	22,147,834
10 TOLL SERVICE	17,212,650	19,382,903	22,509,985	24,644,276	27,283,724	13,559,880	9,425,740	7,484,142
11 MISCELLANEOUS	545,699	625,575	736,430	846,490	1,018,083	1,972,197	2,068,476	1,900,918
12 UNCOLLECTIBLES - DEBIT	277,976	359,180	380,027	428,640	422,715	156,065	98,187	126,150
14 TOTAL OPERATING REVENUES	$24,429,073	$27,529,476	$32,752,138	$35,069,590	$37,806,751	$40,177,314	$40,738,147	$40,506,549
16 OPERATING REVENUE EXPENSES								
18 MAINTENANCE	$4,632,503	$5,148,892	$6,022,152	$7,367,965	$7,182,755	$6,676,643	$6,255,088	$7,087,450
19 DEPRECIATION AND AMORTIZATION	4,650,662	5,317,835	7,595,405	7,909,584	8,915,572	10,512,895	10,394,790	9,807,256
20 TRAFFIC	675,652	521,566	455,028	557,870	586,008	684,085	627,213	493,609
21 COMMERCIAL	1,156,266	1,293,702	1,522,133	1,826,514	1,902,401	2,036,526	2,391,505	1,812,349
22 ACCESS EXPENSES	0	0	0	0	0	0	0	0
23 GENERAL OFFICE	1,581,219	1,918,055	2,227,225	2,795,358	3,433,786	3,813,177	4,383,628	4,449,790
24 OTHER OPERATING EXPENSES	839,020	819,669	1,126,718	1,449,121	1,740,913	2,726,011	2,108,533	2,273,485
26 TOTAL OPERATING REVENUE EXPENSES	$13,535,322	$15,019,719	$18,948,661	$21,906,412	$23,761,435	$26,449,337	$26,160,757	$25,923,939
28 INVESTMENT CREDIT - NET	$1,120,557	$745,959	$461,891	$177,387	($31,891)	$28,170	($20,938)	($494,867)
29 FEDERAL INCOME TAXES	407,420	1,637,042	2,675,081	2,452,289	3,053,848	3,650,944	3,428,524	4,129,000
30 OTHER OPERATING TAXES	1,587,234	1,587,492	1,710,122	1,764,918	1,664,152	1,422,792	1,679,150	1,712,334
31 OPERATING FED.INCOME TAX DEFER - ACC.DEP	1,091,415	887,597	793,433	677,189	940,196	1,045,345	915,294	854,780
32 OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	42,604
33 INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
35 TOTAL OPERATING TAXES	$4,206,626	$4,858,090	$5,640,527	$5,071,783	$5,626,305	$6,147,251	$6,002,030	$6,243,851
37 TOTAL OPERATING REV DEDUCTIONS	$17,741,948	$19,877,809	$24,589,188	$26,978,195	$29,387,740	$32,596,588	$32,162,787	$32,167,790
39 NET OPERATING INCOME	$6,687,125	$7,651,667	$8,162,950	$8,091,395	$8,419,011	$7,580,726	$8,575,360	$8,338,759
41 100.1 TELEPHONE PLANT IN SERVICE	$72,954,985	$82,632,538	$91,056,180	$96,674,314	$99,693,250	$104,789,559	$109,198,354	108,642,780
42 100.3 PROPERTY HELD FOR FUTURE USE	0	0	134,280	130,578	1,714	1,714	0	0
43 LESS: 171 & 172 DEP. & AMORT. RESERVES	13,391,042	15,309,951	20,521,475	24,069,674	29,159,608	36,165,266	42,912,886	45,596,776
45 NET TELEPHONE PLANT END OF YEAR(DEC)	$59,563,943	$67,322,587	$70,668,985	$72,735,218	$70,535,356	$68,626,007	$66,285,468	$63,046,004
47 PRIMARY STATISTICS								
49 MILES OF: WIRE IN CABLE	316,531	325,389	337,883	346,760	356,554	364,791	375,126	379,085
50 AERIAL WIRE	8,777	8,688	8,688	8,569	8,550	8,506	8,390	8,337
51 UNDERGROUND CONDUIT (SINGLE DUCT)	38	38	41	43	44	45	45	29
52 CARRIER CHANNEL(TELEPHONE)	19,283	39,412	48,726	56,019	68,384	78,449	94,530	103,335
53 NUMBER OF POLES	20,580	21,064	20,515	19,785	19,199	18,573	18,135	17,834
54 NUMBER OF CENTRAL OFFICES	30	31	31	31	31	32	33	32
55 ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	35,593	35,894	32,261
56 ACCESS LINES(BUSINESS)	0	0	0	0	0	10,216	13,158	15,420
57 ACCESS LINES(PUBLIC)	0	0	0	0	0	373	377	377
58 ACCESS LINES(TOTAL)	0	0	0	0	46,128	46,182	49,429	48,058

TABLE 24.1

1 BLOCK1: BALANCE SHEET -- ASSETS
2 AUGUST 3, 1987

24 WESTERN WAHKIAKUM TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$1,925,129	$2,062,217	$2,372,496	$2,463,409	$2,555,027	$2,596,183	$2,729,931	$2,767,356
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	13,994	82,455	68,143	68,106	4,299	37,591	6,599	30,598
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	813,528	950,011	1,093,072	1,318,654	1,104,343	1,222,903	1,409,065	1,604,418
172	AMORTIZATION RESERVE	299	322	345	368	392	415	438	461
	TOTAL NET TELEPHONE PLANT	$1,125,296	$1,194,339	$1,347,222	$1,212,493	$1,454,591	$1,410,456	$1,327,027	$1,193,075
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102	OTHER INVESTMENTS	41,476	40,557	48,579	49,057	49,439	50,542	49,742	46,092
103	MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	0	0	0
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$41,476	$40,557	$48,579	$49,057	$49,439	$50,542	$49,742	$46,092
CURRENT ASSETS									
113	CASH	$10,778	$9,449	$5,704	$7,599	$14,999	$4,006	$33,941	$31,236
114	SPECIAL CASH DEPOSITS	2	2	195	5,589	5,589	199	6,373	0
115	WORKING FUNDS	0	0	0	0	0	0	0	0
116	TEMPORARY CASH INVESTMENTS	188,783	183,292	110,993	200,270	356,128	495,813	642,956	706,133
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	65,083	61,659	60,387	64,503	87,748	200,485	70,399	64,026
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
120.2	OTHER ACCOUNTS RECEIVABLE	14,213	28,230	56,629	37,640	19,994	6,633	95,700	137,788
121	INTEREST AND DIVIDENDS RECEIVABLE	1,071	2,028	1,591	642	99	376	6,070	0
122	MATERIAL AND SUPPLIES	22,527	21,741	20,706	18,744	39,821	41,929	51,210	58,677
123	OTHER CURRENT ASSETS	0	0	0	0	0	0	2	0
	TOTAL CURRENT ASSETS	$302,457	$306,401	$256,205	$334,987	$524,378	$749,441	$906,649	$997,860
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	0	0	0	0	0	0	0	0
131	PREPAID INSURANCE	5,050	6,981	8,708	8,707	5,035	9,310	26,937	18,222
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133	OTHER PREPAYMENTS	1,053	1,841	1,386	2,227	2,744	3,570	9,978	3,227
135	DISCOUNT ON LONG-TERM DEBT	24,997	23,979	27,075	26,057	28,494	27,935	26,729	36,865
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$31,100	$32,801	$37,169	$36,991	$36,273	$40,815	$63,645	$58,314
	TOTAL ASSETS AND OTHER DEBITS	$1,500,329	$1,574,098	$1,689,175	$1,633,528	$2,064,681	$2,251,254	$2,347,063	$2,295,341

TABLE 24.2

1 BLOCK 2: BALANCE SHEET -- LIABILITIES
2 AUGUST 3, 1987

24 WESTERN WAHKIAKUM TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$56,830	$56,830	$56,830	$56,830	$56,830	$56,830	$56,830	$56,830
152	PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179	OTHER CAPITAL	100	100	100	100	100	100	100	100
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181	UNAPPROPRIATED RETAINED EARNINGS	461,999	507,803	508,605	527,144	428,741	631,462	750,113	782,751
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$518,929	$564,733	$565,535	$584,074	$485,671	$688,392	$807,043	$839,681
LONG-TERM DEBT									
151.1	FUNDED DEBT	$873,857	$846,297	$933,091	$904,227	$874,690	$843,927	$811,810	$918,883
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$873,857	$846,297	$933,091	$904,227	$874,690	$843,927	$811,810	$918,883
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	11,951	63,443	64,320	14,335	568,596	559,418	573,408	408,615
160	CUSTOMERS' DEPOSITS	4,430	5,209	3,164	2,805	2,525	3,365	2,225	3,715
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	9,085	10,477	9,828	10,576	22,321	13,667	16,336	0
165	OTHER CURRENT LIABILITIES	2,615	4,104	6,893	5,368	4,749	4,771	3,172	4,162
166	TAXES ACCRUED	27,081	19,040	19,764	24,921	37,056	29,956	16,290	10,774
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	1,976	1,967	3,153	3,106	1,713	2,923	2,891	4,354
	TOTAL CURRENT AND ACCRUED LIABILITIES	$57,138	$104,240	$107,122	$61,111	$636,960	$614,100	$614,322	$431,620
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	50,404	58,825	83,429	84,116	67,360	84,941	76,921	64,633
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	0	0	0	0	0	19,894	36,966	40,524
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$50,404	$58,825	$83,429	$84,116	$67,360	$104,835	$113,888	$105,157
	TOTAL LIABILITIES AND OTHER CREDITS	$1,500,328	$1,574,095	$1,689,177	$1,633,528	$2,064,681	$2,251,254	$2,347,063	$2,295,341

TABLE 24.3

BLOCK 3:
AUGUST 3, 1987

24 WESTERN WAHKIAKUM TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

	1979	1980	1981	1982	1983	1984	1985	1986
NET INCOME								
NET OPERATING INCOME -WASHINGTON	$87,750	$49,122	($9,995)	$18,779	($94,448)	$122,337	$96,608	$22,156
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$87,750	$49,122	($9,995)	$18,779	($94,448)	$122,337	$96,608	$22,156
INTEREST CHARGED TO CONSTRUCTION	0	0	8,945	2,845	2,871	0	0	0
OTHER INCOME	14,221	22,830	27,628	28,999	23,658	40,109	52,269	41,406
MISCELLANEOUS DEDUCTIONS FROM INCOME	0	0	0	0	0	0	0	0
INTEREST ON FUNDED DEBT	25,298	24,674	26,104	30,846	28,922	30,706	28,669	29,353
OTHER FIXED CHARGES	1,319	1,474	1,435	1,238	1,561	2,239	1,556	1,571
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	1,762	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$75,354	$45,804	($961)	$18,539	($98,402)	$129,501	$118,652	$32,638
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$386,645	$461,999	$507,803	$508,604	$527,143	$428,741	$631,462	$750,113
CREDITS: NET INCOME(AS ABOVE)	$75,354	$45,804	$801	$18,539	($98,402)	$129,501	$118,652	32,638
OTHER CREDITS	0	0	0	0	0	73,220	0	0
TOTAL CREDITS	$75,354	$45,804	$801	$18,539	($98,402)	$202,721	$118,652	$32,638
DEBITS: DIVIDEND APPROPRIATIONS	$0	$0	$0	$0	$0	$0	$0	0
OTHER DEBITS	0	0	0	0	0	0	0	0
TOTAL DEBITS	$0	$0	$0	$0	$0	$0	$0	$0
BALANCE AT END OF YEAR	$461,999	$507,803	$508,604	$527,143	$428,741	$631,462	$750,114	$782,751

TABLE 24.4

BLOCK 4:
AUGUST 3, 1987

24 WESTERN WAHKIAKUM TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$116,817	$123,410	$130,906	$133,741	$143,516	$166,344	$179,231	$195,121
ACCESS REVENUES	0	0	0	0	0	0	697,992	775,053
TOLL SERVICE	595,602	559,080	526,817	695,261	768,647	848,241	126,084	15,409
MISCELLANEOUS	6,548	623	17,660	8,780	473	29,548	79,871	63,982
UNCOLLECTIBLES - DEBIT	1,351	5,127	5,490	6,430	5,318	2,618	3,158	3,772
TOTAL OPERATING REVENUES	$717,615	$677,986	$669,893	$831,352	$907,318	$1,041,515	$1,080,020	$1,045,793
OPERATING REVENUE EXPENSES								
MAINTENANCE	$132,386	$132,723	$130,696	$155,088	$326,512	$157,173	$191,218	$184,173
DEPRECIATION AND AMORTIZATION	130,050	137,432	147,941	220,374	229,505	193,804	187,160	185,391
TRAFFIC	83,325	93,685	100,282	107,271	106,299	102,263	104,297	110,194
COMMERCIAL	8,285	8,109	22,988	20,910	27,832	45,074	27,701	22,723
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	143,284	161,062	192,724	190,041	203,588	228,634	252,322	301,663
OTHER OPERATING EXPENSES	61,541	43,737	54,845	63,821	63,000	102,934	159,094	176,847
TOTAL OPERATING REVENUE EXPENSES	$558,871	$576,748	$649,476	$757,505	$956,736	$829,882	$921,792	$980,991
INVESTMENT CREDIT - NET	8,721	8,421	24,603	688	(7,621)	17,582	(8,020)	($12,289)
FEDERAL INCOME TAXES	11,811	(4,809)	(45,793)	(7,477)	0	396	267	0
OTHER OPERATING TAXES	50,462	48,506	51,601	61,857	52,651	51,424	52,300	51,377
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	0	0	0	19,894	17,072	3,558
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$70,994	$52,118	$30,411	$55,068	$45,030	$89,296	$61,619	$42,646
TOTAL OPERATING REV DEDUCTIONS	$629,865	$628,866	$679,887	$812,573	$1,001,766	$919,178	$983,411	$1,023,637
NET OPERATING INCOME	$87,750	$49,120	($9,994)	$18,779	($94,448)	$122,337	$96,609	$22,156
100.1 TELEPHONE PLANT IN SERVICE	$1,925,129	$2,062,217	$2,372,496	$2,463,409	$2,555,027	$2,596,183	$2,729,931	2,767,356
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	813,827	950,333	1,093,417	1,319,022	1,104,343	1,223,318	1,409,503	1,604,879
NET TELEPHONE PLANT END OF YEAR(DEC)	$1,111,302	$1,111,884	$1,279,079	$1,144,387	$1,450,684	$1,372,865	$1,320,428	$1,162,477
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	5,853	6,124	7,602	7,814	7,658	7,834	7,715	7,906
AERIAL WIRE	2	2	2	2	3	3	3	3
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0
CARRIER CHANNEL(TELEPHONE)	0	0	0	0	0	0	0	0
NUMBER OF POLES	142	142	142	138	152	142	142	142
NUMBER OF CENTRAL OFFICES	2	2	2	2	2	2	2	2
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	678	670	672
ACCESS LINES(BUSINESS)	0	0	0	0	0	186	155	157
ACCESS LINES(PUBLIC)	0	0	0	0	0	12	12	8
ACCESS LINES(TOTAL)	0	0	0	0	794	876	837	837

TABLE 25.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 3, 1987

25 WHIDBEY TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

	1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT								
100.1 TELEPHONE PLANT IN SERVICE	$6,255,238	$7,113,889	$7,929,435	$9,109,289	$9,525,338	$10,376,724	$11,074,484	$11,897,541
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	55,092	458,414	329,308	30,878	290,563	49,691	82,437	594,553
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	9,549	0	0	0
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171 LESS: DEPRECIATION RESERVE	2,539,658	2,893,868	2,861,610	3,195,732	3,517,240	3,950,565	4,470,094	5,014,772
172 AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
TOTAL NET TELEPHONE PLANT	$3,770,672	$4,678,435	$5,397,133	$5,944,435	$6,308,210	$6,475,850	$6,686,827	$7,477,322
INVESTMENTS AND FUNDS								
101.1 INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
101.2 ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
102 OTHER INVESTMENTS	0	842,982	257,040	257,394	257,748	375,996	160,149	160,149
103 MISCELLANEOUS PHYSICAL PROPERTY	0	0	0	0	0	9,549	9,549	9,549
104 SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106 NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136 PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
TOTAL INVESTMENTS AND FUNDS	$0	$842,982	$257,040	$257,394	$257,748	$385,545	$169,698	$169,698
CURRENT ASSETS								
113 CASH	$18,372	$64,527	$32,128	$37,513	$9,435	$96,154	$61,630	$20,128
114 SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115 WORKING FUNDS	929	350	400	400	400	475	475	475
116 TEMPORARY CASH INVESTMENTS	0	526,622	100,000	17,100	54,829	327,348	1,658,629	1,390,732
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2 OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118 DUE FROM CUSTOMERS AND AGENTS	131,814	144,780	173,996	168,206	212,746	125,996	186,657	184,842
120.1 ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	13,779	18,522	28,950	36,019	8,853	12,503	20,720	25,898
120.2 OTHER ACCOUNTS RECEIVABLE	0	40,737	55,830	142,245	75,900	356,884	146,560	153,465
121 INTEREST AND DIVIDENDS RECEIVABLE	0	0	4,500	0	0	0	9,374	4,928
122 MATERIAL AND SUPPLIES	54,387	76,071	93,501	122,183	113,276	86,558	134,981	125,580
123 OTHER CURRENT ASSETS	126,627	58,061	88,584	120,337	151,399	174,082	0	1,627
TOTAL CURRENT ASSETS	$345,908	$929,670	$577,889	$644,003	$626,838	$1,180,000	$2,219,026	$1,907,675
PREPAID ACCOUNTS AND DEFERRED CHARGES								
129 PREPAID RENTS	$0	$0	$0	$0	$0	$0	$0	$0
130 PREPAID TAXES	0	0	0	0	0	0	0	65,364
131 PREPAID INSURANCE	2,919	3,299	3,552	2,918	5,292	6,899	23,763	32,293
132 PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	0	0
133 OTHER PREPAYMENTS	499	499	499	499	499	499	499	499
135 DISCOUNT ON LONG-TERM DEBT	5,604	5,298	4,992	4,686	4,381	4,075	3,769	3,463
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139 OTHER DEFERRED CHARGES	1,310	1,562	1,310	1,310	0	1,500	258,175	258,175
TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$10,332	$10,658	$10,353	$9,413	$10,172	$12,973	$286,206	$359,794
TOTAL ASSETS AND OTHER DEBITS	$4,126,912	$6,461,745	$6,242,415	$6,855,245	$7,202,968	$8,054,368	$9,361,757	$9,914,489

TABLE 25.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 3, 1987

25 WHIDBEY TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

	1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY								
150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$95,000	$95,000	$95,000	$75,000	$75,000	$75,000	$75,000	$75,000
152 PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0
179 OTHER CAPITAL	0	0	0	0	0	0	0	0
180 RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	0
181 UNAPPROPRIATED RETAINED EARNINGS	1,399,482	2,757,325	3,413,404	4,205,041	4,642,898	5,442,163	6,343,726	7,081,930
134.1 LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2 CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
TOTAL NET STOCKHOLDERS' EQUITY	$1,494,482	$2,852,325	$3,508,404	$4,280,041	$4,717,898	$5,517,163	$6,418,726	$7,156,930
LONG-TERM DEBT								
151.1 FUNDED DEBT	$2,074,425	$1,979,790	$1,898,446	$1,815,474	$1,731,214	$1,648,286	$1,563,692	$1,477,396
156 ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157 OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
TOTAL LONG-TERM DEBT	$2,074,425	$1,979,790	$1,898,446	$1,815,474	$1,731,214	$1,648,286	$1,563,692	$1,477,396
CURRENT AND ACCRUED LIABILITIES								
158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2 OTHER NOTES PAYABLE	0	0	264,157	170,000	0	0	0	0
159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2 OTHER ACCOUNTS PAYABLE	482,871	604,254	478,894	460,354	164,886	90,398	266,923	278,100
160 CUSTOMERS' DEPOSITS	12,838	9,533	9,898	14,324	17,389	23,278	28,190	36,691
162 MATURED INTEREST AND DIVIDENDS	1,360	954	7,847	6,008	14,992	16,429	0	0
163 MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164 ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165 OTHER CURRENT LIABILITIES	0	0	0	0	0	0	0	0
166 TAXES ACCRUED	60,935	1,014,889	74,769	109,044	122,874	135,244	315,738	107,551
167 UNMATURED INTEREST, DIV. & RENTS ACCRUED	0	0	0	0	0	0	0	0
TOTAL CURRENT AND ACCRUED LIABILITIES	$558,004	$1,629,630	$835,565	$759,730	$320,141	$265,349	$610,851	$422,342
DEFERRED CREDITS AND OPERATING RESERVES								
168 PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169 INSURANCE RESERVES	0	0	0	0	0	0	0	0
170 PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174 OTHER DEFERRED CREDITS	0	0	0	0	241,755	306,903	299,093	270,154
176.1 ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	0	0	0	0	191,960	316,667	469,395	587,667
176.2 ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
TOTAL DEFERRED CREDITS & OPERATING RESERVES	$0	$0	$0	$0	$433,715	$623,570	$768,488	$857,821
TOTAL LIABILITIES AND OTHER CREDITS	$4,126,911	$6,461,745	$6,242,415	$6,855,245	$7,202,968	$8,054,368	$9,361,757	$9,914,489

TABLE 25.3

BLOCK 3:
AUGUST 3, 1987

25 WHIDBEY TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

	1979	1980	1981	1982	1983	1984	1985	1986
NET INCOME								
NET OPERATING INCOME -WASHINGTON	$271,640	$1,380,442	$635,115	$849,905	$522,369	$818,626	$961,697	$724,087
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$271,640	$1,380,442	$635,115	$849,905	$522,369	$818,626	$961,697	$724,087
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	0
OTHER INCOME	5,751	64,216	103,154	45,467	49,171	58,212	93,959	98,762
MISCELLANEOUS DEDUCTIONS FROM INCOME	7,397	27,070	18,236	3,832	(2,759)	13,630	94,928	31,115
INTEREST ON FUNDED DEBT	42,738	40,674	38,966	37,338	35,661	33,989	32,324	30,621
OTHER FIXED CHARGES	6,209	17,371	22,863	62,496	50,516	31,922	15,262	22,909
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$221,047	$1,359,543	$658,204	$791,706	$488,122	$797,297	$913,142	$738,204
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$1,181,836	$1,399,483	$2,757,326	$3,413,405	$4,205,042	$4,642,899	$5,442,163	$6,343,726
CREDITS: NET INCOME(AS ABOVE)	$221,047	$1,359,543	$658,204	$791,706	$488,122	$797,297	$913,142	738,204
OTHER CREDITS	0	0	0	0	285,179	1,968	34,721	0
TOTAL CREDITS	$221,047	$1,359,543	$658,204	$791,706	$773,301	$799,265	$947,863	$738,204
DEBITS: DIVIDEND APPROPRIATIONS	$3,400	$1,700	$2,125	$69	$335,444	$0	$0	$0
OTHER DEBITS	0	0	0	0	0	0	46,300	0
TOTAL DEBITS	$3,400	$1,700	$2,125	$69	$335,444	$0	$46,300	$0
BALANCE AT END OF YEAR	$1,399,483	$2,757,326	$3,413,405	$4,205,042	$4,642,899	$5,442,164	$6,343,726	$7,081,930

TABLE 25.4

BLOCK 4:
AUGUST 3, 1987

25 WHIDBEY TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$578,490	$609,543	$667,234	$698,103	$725,398	$796,179	$859,887	$949,329
ACCESS REVENUES	0	0	0	0	0	1,349,610	2,690,701	2,452,201
TOLL SERVICE	990,214	3,108,711	1,926,804	2,462,207	2,366,354	1,396,686	444,956	142,728
MISCELLANEOUS	95,183	155,755	108,043	115,188	82,365	189,587	436,807	351,987
UNCOLLECTIBLES - DEBIT	12,437	28,161	0	10,150	12,793	13,000	21,365	1,700
TOTAL OPERATING REVENUES	$1,651,450	$3,845,848	$2,702,081	$3,265,348	$3,161,324	$3,719,062	$4,410,986	$3,894,545
OPERATING REVENUE EXPENSES								
MAINTENANCE	$178,782	$243,346	$350,827	$537,641	$557,795	$455,672	$664,828	$544,117
DEPRECIATION AND AMORTIZATION	323,576	350,033	389,078	377,837	421,653	458,050	480,190	475,138
TRAFFIC	127,499	141,779	179,345	222,324	214,456	225,295	230,879	266,310
COMMERCIAL	180,988	204,997	161,805	164,706	140,076	236,073	271,059	252,532
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	253,142	274,198	349,328	408,237	449,302	536,087	625,969	575,585
OTHER OPERATING EXPENSES	172,150	156,106	206,189	267,973	294,297	300,410	314,195	344,944
TOTAL OPERATING REVENUE EXPENSES	$1,236,137	$1,370,459	$1,636,572	$1,978,718	$2,077,579	$2,211,587	$2,587,120	$2,458,626
INVESTMENT CREDIT - NET	$0	$0	$0	$0	$0	$56,006	$19,249	($28,939)
FEDERAL INCOME TAXES	9,323	917,834	254,193	219,994	311,355	327,047	510,241	421,615
OTHER OPERATING TAXES	134,350	177,113	176,201	216,731	181,246	183,866	205,717	200,884
OPERATING FED.INCOME TAX DEFER - ACC.DEP	0	0	0	0	68,775	118,441	126,962	118,272
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	3,489	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$143,673	$1,094,947	$430,394	$436,725	$561,376	$688,849	$862,169	$711,832
TOTAL OPERATING REV DEDUCTIONS	$1,379,810	$2,465,406	$2,066,966	$2,415,443	$2,638,955	$2,900,436	$3,449,289	$3,170,458
NET OPERATING INCOME	$271,640	$1,380,442	$635,115	$849,905	$522,369	$818,626	$961,697	$724,087
100.1 TELEPHONE PLANT IN SERVICE	$6,255,238	$7,113,889	$7,929,435	$9,109,289	$9,525,338	$10,376,724	$11,074,484	11,897,541
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	9,549	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	2,539,658	2,893,868	2,861,610	3,195,732	3,517,240	3,950,565	4,470,094	5,014,772
NET TELEPHONE PLANT END OF YEAR(DEC)	$3,715,580	$4,220,021	$5,067,825	$5,913,557	$6,017,647	$6,426,159	$6,604,390	$6,882,769
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	72,470	73,532	74,321	74,693	75,597	76,446	76,534	76,812
AERIAL WIRE	0	0	0	0	0	0	0	0
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0
CARRIER CHANNEL(TELEPHONE)	717	3,766	7,921	10,157	10,960	14,159	15,192	15,192
NUMBER OF POLES	0	0	0	0	0	0	0	0
NUMBER OF CENTRAL OFFICES	2	2	2	2	1	1	1	1
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	4,260	4,406	4,685
ACCESS LINES(BUSINESS)	0	0	0	0	0	775	807	876
ACCESS LINES(PUBLIC)	0	0	0	0	0	42	45	46
ACCESS LINES(TOTAL)	0	0	0	0	5,348	5,077	5,258	5,607

TABLE 26.1

BLOCK1: BALANCE SHEET -- ASSETS
AUGUST 3, 1987

26 YELM TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS

		1979	1980	1981	1982	1983	1984	1985	1986
TELEPHONE PLANT									
100.1	TELEPHONE PLANT IN SERVICE	$4,757,826	$5,673,115	$6,052,970	$6,623,940	$7,083,730	$7,377,483	$7,874,511	$8,628,824
100.2	TELEPHONE PLANT UNDER CONSTRUCTION	15,447	0	1,577	0	0	0	15,756	0
100.3	PROPERTY HELD FOR FUTURE TELEPHONE USE	0	0	0	0	0	0	0	0
100.4	TELEPHONE PLANT ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0
171	LESS: DEPRECIATION RESERVE	1,444,283	839,234	1,239,068	1,651,615	2,114,486	2,549,411	3,013,634	3,438,915
172	AMORTIZATION RESERVE	0	0	0	0	0	0	0	0
	TOTAL NET TELEPHONE PLANT	$3,328,990	$4,833,881	$4,815,479	$4,972,325	$4,969,244	$4,828,072	$4,876,633	$5,189,909
INVESTMENTS AND FUNDS									
101.1	INVESTMENTS IN AFFILIATED COMPANIES	$0	$0	$0	$0	$57,450	$0	$0	$0
101.2	ADVANCES TO AFFILIATED COMPANIES	0	0	0	0	390,270	0	0	0
102	OTHER INVESTMENTS	135,600	219,000	357,570	383,570	0	382,079	373,922	131,613
103	MISCELLANEOUS PHYSICAL PROPERTY	0	60,000	0	0	0	0	0	0
104	SINKING FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
106	NONREGULATED INVESTMENT	0	0	0	0	0	0	0	0
136	PROVIDENT FUNDS(EXCLUDING OWN ISSUES)	0	0	0	0	0	0	0	0
	TOTAL INVESTMENTS AND FUNDS	$135,600	$279,000	$357,570	$383,570	$447,720	$382,079	$373,922	$131,613
CURRENT ASSETS									
113	CASH	$91,047	$178,515	$220,588	$43,038	($366)	$5,086	$34,862	$280,836
114	SPECIAL CASH DEPOSITS	0	0	0	0	0	0	0	0
115	WORKING FUNDS	0	0	0	0	0	0	0	0
116	TEMPORARY CASH INVESTMENTS	101,115	182,133	400,000	795,277	1,048,845	1,139,966	1,279,875	919,362
117.1	NOTES RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
117.2	OTHER NOTES RECEIVABLE	0	0	0	0	0	0	0	0
118	DUE FROM CUSTOMERS AND AGENTS	41,365	68,979	111,586	116,128	150,282	203,617	296,160	193,998
120.1	ACCTS RECEIVABLE FROM AFFILIATED COMPANIES	0	0	0	0	0	262,254	645,804	1,430,960
120.2	OTHER ACCOUNTS RECEIVABLE	0	0	0	0	0	0	0	0
121	INTEREST AND DIVIDENDS RECEIVABLE	0	0	2,592	1,813	0	6,200	6,058	0
122	MATERIAL AND SUPPLIES	26,149	32,532	71,638	61,604	43,251	48,564	57,015	115,897
123	OTHER CURRENT ASSETS	0	0	0	0	3,518	15,981	249	6,973
	TOTAL CURRENT ASSETS	$259,676	$462,159	$806,404	$1,017,860	$1,245,530	$1,681,668	$2,320,023	$2,948,026
PREPAID ACCOUNTS AND DEFERRED CHARGES									
129	PREPAID RENTS	$17,845	$0	$0	$0	$0	$0	$0	$0
130	PREPAID TAXES	39,083	97,435	0	0	0	0	0	(7)
131	PREPAID INSURANCE	6,040	5,600	4,350	4,920	5,042	6,450	4,443	6,765
132	PREPAID DIRECTORY EXPENSESS	0	0	0	0	0	0	857	0
133	OTHER PREPAYMENTS	0	0	0	0	0	0	0	0
135	DISCOUNT ON LONG-TERM DEBT	2,786	2,689	2,565	2,442	2,318	2,195	2,072	1,948
138	EXTRAORDINARY MAINTENANCE & RETIREMENTS	0	0	0	0	0	0	0	0
139	OTHER DEFERRED CHARGES	0	0	0	0	0	0	0	0
	TOTAL PREPAID ACCOUNTS & DEFERRED CHARGES	$65,754	$105,724	$6,915	$7,362	$7,360	$8,645	$7,372	$8,706
	TOTAL ASSETS AND OTHER DEBITS	$3,790,020	$5,680,764	$5,986,368	$6,381,117	$6,669,854	$6,900,464	$7,577,950	$8,278,254

TABLE 26.2

BLOCK 2: BALANCE SHEET -- LIABILITIES
AUGUST 3, 1987

26 YELM TELEPHONE - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS

		1979	1980	1981	1982	1983	1984	1985	1986
STOCKHOLDERS EQUITY									
150	CAPITAL STOCK (ACTUALLY OUTSTANDING)	$42,800	$42,800	$29,400	$29,400	$29,400	$29,400	$29,400	$29,400
152	PREMIUM ON CAPITAL STOCK	19,150	19,150	19,150	19,150	19,150	19,150	19,150	19,150
179	OTHER CAPITAL	266	266	266	266	266	266	266	0
180	RETAINED EARNINGS RESERVED	0	0	0	0	0	0	0	266
181	UNAPPROPRIATED RETAINED EARNINGS	1,211,732	1,396,480	1,597,124	1,929,438	2,269,452	2,449,728	2,652,492	3,233,993
134.1	LESS: DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0
134.2	CAPITAL STOCK EXPENSE	0	0	0	0	0	0	0	0
	TOTAL NET STOCKHOLDERS' EQUITY	$1,273,948	$1,458,696	$1,645,940	$1,978,254	$2,318,268	$2,498,544	$2,701,308	$3,282,809
LONG-TERM DEBT									
151.1	FUNDED DEBT	$1,899,564	$3,209,359	$3,302,736	$3,253,768	$3,194,897	$3,127,270	$3,062,574	$2,994,916
156	ADVANCES FROM AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
157	OTHER LONG-TERM DEBT	0	0	0	0	0	0	0	0
	TOTAL LONG-TERM DEBT	$1,899,564	$3,209,359	$3,302,736	$3,253,768	$3,194,897	$3,127,270	$3,062,574	$2,994,916
CURRENT AND ACCRUED LIABILITIES									
158.1	NOTES PAYABLE TO AFFILIATED COMPANIES	$0	$0	$0	$0	$0	$0	$0	$0
158.2	OTHER NOTES PAYABLE	0	0	0	0	0	0	0	0
159.1	ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	0	0	0	0	0	0	0	0
159.2	OTHER ACCOUNTS PAYABLE	98,642	195,758	79,680	97,480	44,083	65,334	49,688	53,615
160	CUSTOMERS' DEPOSITS	12,694	8,448	9,093	8,907	8,875	536	7,825	11,538
162	MATURED INTEREST AND DIVIDENDS	0	0	0	0	0	0	0	0
163	MATURED LONG-TERM DEBT	0	0	0	0	0	0	0	0
164	ADVANCE BILLING AND PAYMENTS	0	0	0	0	0	0	0	0
165	OTHER CURRENT LIABILITIES	122,897	237,732	282,512	199,467	171,821	263,891	700,821	604,585
166	TAXES ACCRUED	4,915	12,069	15,344	50,660	54,753	52,911	127,559	414,794
167	UNMATURED INTEREST, DIV. & RENTS ACCRUED	13,520	31,634	31,584	31,399	31,531	31,400	30,984	30,621
	TOTAL CURRENT AND ACCRUED LIABILITIES	$252,668	$485,641	$418,213	$387,913	$311,063	$414,072	$916,877	$1,115,153
DEFERRED CREDITS AND OPERATING RESERVES									
168	PREMIUM ON LONG-TERM DEBT	$0	$0	$0	$0	$0	$0	$0	$0
169	INSURANCE RESERVES	0	0	0	0	0	0	0	0
170	PROVIDENT RESERVES	0	0	0	0	0	0	0	0
174	OTHER DEFERRED CREDITS	218,759	340,747	368,251	388,638	393,953	377,435	370,948	325,266
176.1	ACCUM.DEFERRED INCOME TAXES-ACC. TAX DEP.	145,081	186,321	251,228	372,544	451,673	483,143	526,243	560,110
176.2	ACCUM.DEFERRED INCOME TAXES - OTHER	0	0	0	0	0	0	0	0
	TOTAL DEFERRED CREDITS & OPERATING RESERVES	$363,840	$527,068	$619,479	$761,182	$845,626	$860,578	$897,191	$885,376
	TOTAL LIABILITIES AND OTHER CREDITS	$3,790,020	$5,680,764	$5,986,368	$6,381,117	$6,669,854	$6,900,464	$7,577,950	$8,278,254

TABLE 26.3

BLOCK 3:
AUGUST 3, 1987

26 YELM TELEPHONE -- TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT

	1979	1980	1981	1982	1983	1984	1985	1986
NET INCOME								
NET OPERATING INCOME -WASHINGTON	$305,821	$354,009	$436,136	$478,173	$471,400	$409,911	$397,943	$688,204
-OTHER STATES	0	0	0	0	0	0	0	0
TOTAL NET OPERATING INCOME	$305,821	$354,009	$436,136	$478,173	$471,400	$409,911	$397,943	$688,204
INTEREST CHARGED TO CONSTRUCTION	0	0	0	0	0	0	0	79,273
OTHER INCOME	5,903	11,748	52,304	63,743	75,575	125,705	106,454	14,294
MISCELLANEOUS DEDUCTIONS FROM INCOME	961	200	307	1,013	110	1,515	1,835	858
INTEREST ON FUNDED DEBT	80,702	150,422	202,469	207,688	205,853	203,122	199,481	196,572
OTHER FIXED CHARGES	8,460	7,407	4,965	901	998	703	317	2,840
EXTRAORDINARY/DELAYED ITEMS BEFORE TAX EFFECT	0	0	0	0	0	0	0	0
INCOME TAX EFFECT OF EXTRAORDINARY/DELAYED ITEMS	0	0	0	0	0	0	0	0
NET INCOME	$221,601	$207,728	$280,699	$332,314	$340,014	$330,276	$302,764	$581,501
RETAINED EARNINGS (ACCOUNTS 180 AND 181)								
BALANCE AT BEGINNING OF YEAR	$1,013,111	$1,211,732	$1,396,480	$1,597,124	$1,929,438	$2,269,452	$2,449,728	$2,652,492
CREDITS: NET INCOME(AS ABOVE)	$221,601	$207,728	$280,699	$332,314	$340,014	$330,276	$302,764	581,501
OTHER CREDITS	0	0	0	0	0	0	0	0
TOTAL CREDITS	$221,601	$207,728	$280,699	$332,314	$340,014	$330,276	$302,764	$581,501
DEBITS: DIVIDEND APPROPRIATIONS	$0	$0	$0	$0	$0	$150,000	$100,000	0
OTHER DEBITS	22,980	22,980	80,055	0	0	0	0	0
TOTAL DEBITS	$22,980	$22,980	$80,055	$0	$0	$150,000	$100,000	$0
BALANCE AT END OF YEAR	$1,211,732	$1,396,480	$1,597,124	$1,929,438	$2,269,452	$2,449,728	$2,652,492	$3,233,993

TABLE 26.4

BLOCK 4:
AUGUST 3, 1987

26 YELM TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$357,300	$408,509	$460,018	$509,566	$551,910	$597,914	$668,488	$709,920
ACCESS REVENUES	0	0	0	0	0	1,477,244	1,506,416	1,966,628
TOLL SERVICE	923,354	1,111,302	1,300,077	1,479,128	1,493,935	24,333	12,526	43,788
MISCELLANEOUS	23,842	29,013	34,250	39,801	48,844	98,973	127,702	141,371
UNCOLLECTIBLES - DEBIT	1,466	5,663	(195)	749	1,271	5,379	10,760	39,796
TOTAL OPERATING REVENUES	$1,303,030	$1,543,161	$1,794,540	$2,027,746	$2,093,418	$2,193,085	$2,304,372	$2,820,911
OPERATING REVENUE EXPENSES								
MAINTENANCE	$138,797	$192,845	$219,636	$301,178	$258,991	$307,104	$314,745	$327,248
DEPRECIATION AND AMORTIZATION	244,344	361,797	426,360	404,491	429,929	454,590	457,417	455,634
TRAFFIC	7,211	7,291	8,165	23,333	11,152	15,958	13,599	2,610
COMMERCIAL	83,038	96,470	113,345	106,826	94,107	96,845	165,235	172,412
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	180,560	200,185	221,983	268,236	361,527	401,366	417,032	355,025
OTHER OPERATING EXPENSES	108,853	129,008	128,297	138,951	153,105	237,550	290,853	320,604
TOTAL OPERATING REVENUE EXPENSES	$762,803	$987,596	$1,117,786	$1,243,015	$1,308,811	$1,513,413	$1,658,881	$1,633,533
INVESTMENT CREDIT - NET	$72,739	$121,988	$27,504	$20,387	$5,315	($16,518)	($6,487)	($45,682)
FEDERAL INCOME TAXES	36,916	(57,432)	37,386	29,847	98,979	146,007	98,340	389,849
OTHER OPERATING TAXES	101,155	95,760	110,821	135,008	129,784	108,802	112,595	126,307
OPERATING FED.INCOME TAX DEFER - ACC.DEP	23,596	41,240	64,907	121,316	79,129	31,470	43,100	28,700
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	0	0	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$234,406	$201,556	$240,618	$306,558	$313,207	$269,761	$247,548	$499,174
TOTAL OPERATING REV DEDUCTIONS	$997,209	$1,189,152	$1,358,404	$1,549,573	$1,622,018	$1,783,174	$1,906,429	$2,132,707
NET OPERATING INCOME	$305,821	$354,009	$436,136	$478,173	$471,400	$409,911	$397,943	$688,204
100.1 TELEPHONE PLANT IN SERVICE	$4,757,826	$5,673,115	$6,052,970	$6,623,940	$7,083,730	$7,377,483	$7,874,511	8,628,824
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	1,444,283	839,234	1,239,068	1,651,615	2,114,486	2,549,411	3,013,634	3,438,915
NET TELEPHONE PLANT END OF YEAR(DEC)	$3,313,543	$4,833,881	$4,813,902	$4,972,325	$4,969,244	$4,828,072	$4,860,877	$5,189,909
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	142,408	143,266	142,721	150,112	154,035	153,941	157,856	161,799
AERIAL WIRE	0	0	0	0	0	0	0	0
UNDERGROUND CONDUIT (SINGLE DUCT)	7	7	7	7	8	9	9	9
CARRIER CHANNEL(TELEPHONE)	0	0	0	0	2,044	2,044	2,044	2,044
NUMBER OF POLES	2,030	2,030	1,909	1,909	1,869	1,783	1,682	1,671
NUMBER OF CENTRAL OFFICES	3	3	3	3	3	3	3	3
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	5,686	3,990	4,112
ACCESS LINES(BUSINESS)	0	0	0	0	0	930	662	712
ACCESS LINES(PUBLIC)	0	0	0	0	0	9	13	30
ACCESS LINES(TOTAL)	0	0	0	0	4,415	6,625	4,665	4,854

TABLE 27.4

BLOCK4: NET OPER.INCOME AND PLANT STATS.
TOTAL COMPANY
AUGUST 2, 1987

ASOTIN TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$134,739	$147,032	$154,766	$161,919	$134,462	$155,617	$183,613	$245,832
ACCESS REVENUES	0	0	0	0	0	287,704	527,797	574,733
TOLL SERVICE	147,003	247,874	435,241	479,984	467,044	267,294	(16,992)	17,174
MISCELLANEOUS	14,082	14,788	14,683	13,289	10,772	31,882	66,845	74,294
UNCOLLECTIBLES - DEBIT	1,516	6,465	7,356	7,069	5,900	686	(816)	7,479
TOTAL OPERATING REVENUES	$294,308	$403,229	$597,334	$648,123	$606,378	$741,811	$762,078	$904,554
OPERATING REVENUE EXPENSES								
MAINTENANCE	$58,338	$65,454	$116,139	$91,422	$92,693	$94,794	$115,182	$116,687
DEPRECIATION AND AMORTIZATION	44,365	46,218	88,052	199,919	191,603	190,717	208,061	221,287
TRAFFIC	2,422	3,688	5,438	9,091	4,430	7,426	7,275	5,992
COMMERCIAL	27,671	31,761	28,189	33,435	35,457	44,245	39,713	44,982
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	29,848	32,058	44,584	57,201	67,059	100,730	119,382	105,406
OTHER OPERATING EXPENSES	50,084	61,795	69,858	110,347	63,551	77,374	107,694	99,468
TOTAL OPERATING REVENUE EXPENSES	$212,728	$240,974	$352,260	$501,415	$454,793	$515,286	$597,307	$593,822
INVESTMENT CREDIT - NET	$4,019	$20,142	$35,909	($7,071)	($345)	$34,368	$23,384	$41,221
FEDERAL INCOME TAXES	0	16,884	5,323	(2,561)	(10,732)	(18,280)	(26,371)	45,647
OTHER OPERATING TAXES	15,612	19,547	22,367	34,278	39,123	46,356	36,813	30,549
OPERATING FED.INCOME TAX DEFER - ACC.DEP	3,879	34	29,075	38,648	44,183	47,851	43,134	19,422
OPER.FED. INCOME TAX DEFER - OTHER	0	0	0	(2)	(67)	(52)	(15)	(14)
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$23,510	$56,607	$92,674	$63,292	$72,162	$110,243	$76,944	$136,825
TOTAL OPERATING REV DEDUCTIONS	$236,238	$297,581	$444,934	$564,707	$526,955	$625,529	$674,251	$730,647
NET OPERATING INCOME	$58,070	$105,648	$152,400	$83,416	$79,423	$116,282	$87,827	$173,907
100.1 TELEPHONE PLANT IN SERVICE	$1,131,500	$1,128,495	$2,770,089	$2,825,369	$2,837,231	$2,840,718	$2,907,847	2,950,738
100.3 PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	351,936	375,289	335,297	511,281	661,016	824,514	1,020,156	1,241,217
NET TELEPHONE PLANT END OF YEAR(DEC)	$779,564	$753,206	$2,434,792	$2,314,088	$2,176,215	$2,016,204	$1,887,691	$1,709,521
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	2,330	2,331	2,331	2,331	11,594	11,594	11,594	11,569
AERIAL WIRE	196	203	203	203	59	59	59	30
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	0	0	0
CARRIER CHANNEL(TELEPHONE)	0	0	0	0	0	0	0	0
NUMBER OF POLES	0	882	882	882	447	447	447	408
NUMBER OF CENTRAL OFFICES	3	3	3	3	3	3	3	3
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	764	760	737
ACCESS LINES(BUSINESS)	0	0	0	0	0	130	115	115
ACCESS LINES(PUBLIC)	0	0	0	0	0	5	5	5
ACCESS LINES(TOTAL)	0	0	0	0	0	899	880	857

TABLE 28.4

BLOCK4 : NET INCOME & PLANT STATS.
AUGUST 2, 1987

CONTINENTAL TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$9,706,067	$10,622,204	$12,992,776	$13,982,347	$15,618,973	$16,913,671	$17,981,201	$19,854,924
ACCESS REVENUES	0	0	0	0	0	37,218,140	38,531,449	39,402,859
TOLL SERVICE	19,295,802	21,938,642	26,608,598	31,412,640	33,737,674	832,284	(348,138)	361,209
MISCELLANEOUS	867,312	972,817	1,118,404	1,165,903	1,381,463	2,639,835	3,280,615	3,818,808
UNCOLLECTIBLES - DEBIT	187,000	266,000	376,000	442,000	363,000	412,114	203,951	368,264
TOTAL OPERATING REVENUES	$29,682,181	$33,267,663	$40,343,778	$46,118,890	$50,375,110	$57,191,816	$59,241,176	$63,069,536
OPERATING REVENUE EXPENSES								
MAINTENANCE	$6,427,606	$6,758,371	$9,236,601	$10,456,467	$9,865,061	$9,737,851	$9,376,779	$9,376,080
DEPRECIATION AND AMORTIZATION	5,097,727	5,892,086	7,395,781	7,473,762	9,298,528	11,307,222	12,526,985	12,800,040
TRAFFIC	837,586	901,492	1,336,783	1,531,605	1,628,101	1,452,177	1,671,855	1,631,700
COMMERCIAL	1,941,914	2,349,786	2,926,919	3,340,084	3,737,611	4,113,530	4,202,346	4,242,354
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	2,700,528	2,968,480	3,729,229	4,552,329	4,675,092	5,374,124	6,406,332	7,736,167
OTHER OPERATING EXPENSES	1,715,221	1,980,696	2,712,784	3,977,831	4,062,617	5,043,740	5,716,743	5,602,461
TOTAL OPERATING REVENUE EXPENSES	$18,720,582	$20,850,911	$27,338,097	$31,332,078	$33,267,010	$37,028,644	$39,901,040	$41,388,802
INVESTMENT CREDIT - NET	$1,030,263	$1,106,873	$920,389	$1,266,811	$872,797	$909,289	$459,912	($925,773)
FEDERAL INCOME TAXES	825,790	869,958	1,111,467	545,663	2,704,681	3,766,946	3,450,404	6,457,913
OTHER OPERATING TAXES	2,102,728	2,208,860	2,492,118	2,807,866	2,724,940	2,913,958	2,804,922	2,991,427
OPERATING FED.INCOME TAX DEFER - ACC.DEP	185,897	178,264	393,595	1,533,394	1,359,607	2,005,076	2,318,692	1,431,451
OPER.FED. INCOME TAX DEFER - OTHER	29,376	50,802	10,473	(49,371)	(2,532)	(92,161)	(6,946)	100,267
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$4,174,054	$4,414,757	$4,928,042	$6,104,363	$7,659,493	$9,503,108	$9,026,984	$10,055,285
TOTAL OPERATING REV DEDUCTIONS	$22,894,636	$25,265,668	$32,266,139	$37,436,441	$40,926,503	$46,531,752	$48,928,024	$51,444,087
NET OPERATING INCOME	$6,787,545	$8,001,995	$8,077,639	$8,682,449	$9,448,607	$10,660,064	$10,313,152	$11,625,449
100.1 TELEPHONE PLANT IN SERVICE	$86,541,013	$96,072,204	$108,581,626	$118,593,859	$127,998,429	$138,224,074	$146,552,447	153,405,969
100.3 PROPERTY HELD FOR FUTURE USE	0	32,893	33,919	39,801	1,026	1,026	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	16,319,046	17,242,161	22,431,872	25,455,311	31,177,395	37,340,321	44,815,720	55,077,058
NET TELEPHONE PLANT END OF YEAR(DEC)	$70,221,967	$78,862,936	$86,183,673	$93,178,349	$96,822,060	$100,884,779	$101,736,727	$98,328,911
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	427,705	504,567	567,498	623,966	679,662	746,205	838,987	861,215
AERIAL WIRE	3,606	3,225	3,203	2,840	2,487	2,360	2,779	2,751
UNDERGROUND CONDUIT (SINGLE DUCT)	177	189	189	193	193	194	205	205
CARRIER CHANNEL(TELEPHONE)	0	0	0	0	0	0	0	0
NUMBER OF POLES	29,742	29,355	29,214	28,258	27,564	27,098	26,524	26,329
NUMBER OF CENTRAL OFFICES	42	42	42	42	42	42	44	44
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	54,743	55,805	57,223
ACCESS LINES(BUSINESS)	0	0	0	0	0	9,745	9,955	9,764
ACCESS LINES(PUBLIC)	0	0	0	0	0	579	589	610
ACCESS LINES(TOTAL)	0	0	0	0	0	65,067	66,349	67,597

TABLE 29.4

BLOCK4: NET INCOME & PLANT STATS.
AUGUST 2, 1987

GENERAL TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$137,239,029	$154,829,637	$167,663,973	$197,956,798	$210,352,599	$211,250,214	$215,301,622	$229,326,597
ACCESS REVENUES	0	0	0	0	0	166,876,048	200,560,784	228,190,244
TOLL SERVICE	185,484,971	221,460,616	263,765,516	292,166,846	303,682,727	108,409,669	114,253,079	107,174,892
MISCELLANEOUS	9,030,302	10,845,589	12,819,412	14,505,401	29,435,371	75,989,693	87,292,872	89,308,251
UNCOLLECTIBLES - DEBIT	700,000	720,000	4,079,627	5,925,914	3,445,779	2,925,902	3,353,787	4,377,145
TOTAL OPERATING REVENUES	$331,054,302	$386,415,842	$440,169,274	$498,703,131	$540,024,918	$559,599,722	$614,054,569	$649,622,839
OPERATING REVENUE EXPENSES								
MAINTENANCE	$74,048,300	$76,543,132	$85,385,104	$101,630,522	$101,695,183	$100,696,449	$104,966,951	$107,075,894
DEPRECIATION AND AMORTIZATION	56,752,450	68,954,933	76,919,857	89,543,454	106,680,324	108,693,811	114,418,503	140,656,890
TRAFFIC	15,947,408	16,561,980	16,893,014	19,020,339	19,721,808	18,604,909	17,776,933	17,042,028
COMMERCIAL	24,871,768	27,908,258	30,205,890	31,714,910	45,829,250	51,418,783	59,134,444	62,486,502
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	22,072,071	26,441,944	30,689,849	36,408,847	33,021,596	33,595,452	37,870,249	39,995,424
OTHER OPERATING EXPENSES	20,534,574	24,638,223	28,916,672	37,524,675	41,375,225	45,867,661	51,278,073	62,718,151
TOTAL OPERATING REVENUE EXPENSES	$214,226,571	$241,048,470	$269,010,386	$315,842,747	$348,323,386	$358,877,065	$385,445,153	$429,974,889
INVESTMENT CREDIT - NET	14,059,881	20,257,933	11,205,044	3,405,795	(1,461,667)	4,531,349	5,074,059	($6,781,872)
FEDERAL INCOME TAXES	(5,564,316)	(15,141,526)	(333,441)	6,550,475	31,752,403	26,488,473	33,303,619	43,961,153
OTHER OPERATING TAXES	21,752,038	28,240,780	34,133,704	37,556,761	38,967,421	37,867,956	40,248,265	43,408,621
OPERATING FED.INCOME TAX DEFER - ACC.DEP	13,981,272	20,152,464	25,945,202	29,531,519	20,415,794	29,289,645	39,223,826	31,146,605
OPER.FED. INCOME TAX DEFER - OTHER	0	0	(553,857)	0	0	0	0	7,505,790
INC. CREDITS FROM PRIOR FED. TAXES	777,894	1,161,504	3,840,138	3,437,829	7,610,530	13,537,073	14,382,320	(23,357,602)
TOTAL OPERATING TAXES	$43,450,981	$52,348,147	$66,556,514	$73,606,721	$82,063,421	$84,640,350	$103,467,449	$95,882,695
TOTAL OPERATING REV DEDUCTIONS	$257,677,552	$293,396,617	$335,566,900	$389,449,468	$430,386,807	$443,517,415	$488,912,602	$525,857,584
NET OPERATING INCOME	$73,376,750	$93,019,225	$104,602,374	$109,253,663	$109,638,111	$116,082,307	$125,141,967	$123,765,255
100.1 TELEPHONE PLANT IN SERVICE	$1,002,774,821	$1,203,625,390	$1,331,218,475	$1,400,414,380	$1,433,037,589	$1,514,415,063	$1,617,270,573	1,713,662,077
100.3 PROPERTY HELD FOR FUTURE USE	3,158,642	97,260	0	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	187,491,192	207,196,838	224,488,015	265,529,495	335,427,852	375,118,815	407,908,380	458,807,568
NET TELEPHONE PLANT END OF YEAR(DEC)	$818,442,271	$996,525,812	$1,106,730,460	$1,134,884,885	$1,097,609,737	$1,139,296,248	$1,209,362,193	$1,254,854,509
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	5,493,274	6,332,911	6,646,076	6,794,132	6,887,163	7,012,034	7,248,544	7,485,303
AERIAL WIRE	19,394	14,208	13,567	13,350	13,048	12,864	12,722	12,357
UNDERGROUND CONDUIT (SINGLE DUCT)	3,295	3,287	3,280	3,306	3,329	3,370	3,501	3,656
CARRIER CHANNEL(TELEPHONE)	859,885	1,098,282	1,299,528	1,527,104	1,570,237	1,569,542	1,682,956	1,741,869
NUMBER OF POLES	209,648	211,032	208,645	207,919	206,975	207,395	206,705	204,225
NUMBER OF CENTRAL OFFICES	145	147	148	149	148	153	152	150
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	551,750	568,394	588,845
ACCESS LINES(BUSINESS)	0	0	0	0	0	132,105	153,377	166,353
ACCESS LINES(PUBLIC)	0	0	0	0	0	6,428	6,782	7,169
ACCESS LINES(TOTAL)	0	0	0	0	0	690,283	728,553	762,367

TABLE 30.4

BLOCK4: NET INCOME & PLANT STATS.
COMPANY
AUGUST 2, 1987

INLAND (INCLUDING PRESCOTT) TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$205,909	$211,554	$212,013	$235,194	$305,310	$315,599	$369,550	$347,763
ACCESS REVENUES	0	0	0	0	0	769,303	890,049	1,271,860
TOLL SERVICE	617,822	648,166	726,117	874,750	812,181	149,963	8,652	(2,686)
MISCELLANEOUS	17,128	49,391	46,351	29,771	20,131	52,545	84,350	210,354
UNCOLLECTIBLES - DEBIT	4,195	3,895	7,690	9,006	5,293	7,248	5,210	(891)
TOTAL OPERATING REVENUES	$836,664	$905,216	$976,791	$1,130,709	$1,132,329	$1,280,162	$1,347,391	$1,828,182
OPERATING REVENUE EXPENSES								
MAINTENANCE	$127,743	$164,163	$169,382	$224,218	$294,235	$279,552	$229,571	$278,408
DEPRECIATION AND AMORTIZATION	78,715	98,633	120,549	148,117	159,207	167,486	188,418	194,937
TRAFFIC	2,578	4,493	5,673	10,619	4,792	7,019	5,993	938
COMMERCIAL	56,854	58,654	67,128	66,146	61,054	73,432	71,322	85,044
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	237,306	289,982	303,324	319,475	384,472	480,198	381,310	428,870
OTHER OPERATING EXPENSES	47,869	57,048	65,094	65,942	77,549	89,385	100,748	144,221
TOTAL OPERATING REVENUE EXPENSES	$551,065	$672,973	$731,150	$834,517	$981,309	$1,097,072	$977,362	$1,132,418
INVESTMENT CREDIT - NET	$14,377	$52,251	$62,968	$2,123	($9,251)	($14,113)	$182	$97,921
FEDERAL INCOME TAXES	53,145	(10,991)	(45,050)	43,058	(2,380)	(1,843)	0	21,240
OTHER OPERATING TAXES	64,011	62,203	70,352	71,304	76,329	73,874	75,850	95,405
OPERATING FED.INCOME TAX DEFER - ACC.DEP	6,129	10,671	19,038	21,672	11,798	5,875	40,967	76,365
OPER.FED. INCOME TAX DEFER - OTHER	120	119	337	580	198	0	0	0
INC. CREDITS FROM PRIOR FED. TAXES	0	0	0	0	0	0	0	0
TOTAL OPERATING TAXES	$137,782	$114,253	$107,645	$138,737	$76,694	$63,793	$116,999	$290,931
TOTAL OPERATING REV DEDUCTIONS	$688,847	$787,226	$838,795	$973,254	$1,058,003	$1,160,865	$1,094,361	$1,423,349
NET OPERATING INCOME	$147,817	$117,990	$137,996	$157,455	$74,326	$119,297	$253,030	$404,833
100.1 TELEPHONE PLANT IN SERVICE	$2,142,991	$2,754,591	$3,284,996	$3,434,582	$3,489,404	$4,082,920	$4,513,149	5,089,409
100.3 PROPERTY HELD FOR FUTURE USE	0	0	151,058	0	0	0	0	0
LESS: 171 & 172 DEP. & AMORT. RESERVES	706,941	813,341	810,771	954,975	1,113,070	1,172,154	1,365,947	1,339,404
NET TELEPHONE PLANT END OF YEAR(DEC)	$1,436,050	$1,941,250	$2,625,283	$2,479,607	$2,376,334	$2,910,766	$3,147,202	$3,750,005
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	11,491	14,284	17,741	19,332	22,092	24,293	26,558	28,190
AERIAL WIRE	50	48	48	48	2	2	2	1
UNDERGROUND CONDUIT (SINGLE DUCT)	0	0	0	0	0	2	2	2
CARRIER CHANNEL(TELEPHONE)	902	941	941	941	236	0	0	0
NUMBER OF POLES	601	615	614	614	399	399	403	397
NUMBER OF CENTRAL OFFICES	4	4	4	4	4	5	5	5
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,429	1,441	1,280
ACCESS LINES(BUSINESS)	0	0	0	0	0	159	112	166
ACCESS LINES(PUBLIC)	0	0	0	0	0	7	9	10
ACCESS LINES(TOTAL)	0	0	0	0	1,580	1,595	1,562	1,456

TABLE 31.4

PACIFIC NORTHWEST BELL TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

BLOCK 4:
AUGUST 2, 1987

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$500,188,261	$561,931,106	$654,929,264	$749,310,933	$823,952,072	$701,720,207	$724,787,936	$722,940,785
ACCESS REVENUES	0	0	0	0	0	412,166,670	473,506,978	449,180,322
TOLL SERVICE	653,177,143	729,686,845	839,623,544	886,058,432	929,404,829	323,468,178	306,161,265	317,618,919
MISCELLANEOUS	89,295,486	108,329,350	118,153,481	137,226,842	144,856,972	205,212,780	176,169,362	168,022,836
UNCOLLECTIBLES - DEBIT	10,519,962	14,242,679	15,598,729	20,487,663	24,025,124	8,967,342	12,173,918	11,830,744
TOTAL OPERATING REVENUES	$1,232,140,928	$1,385,704,622	$1,597,107,560	$1,752,108,544	$1,874,188,749	$1,633,600,493	$1,668,451,623	$1,645,932,118
OPERATING REVENUE EXPENSES								
MAINTENANCE	$255,619,719	$274,588,059	$330,206,002	$368,772,736	$386,667,303	$299,382,854	$274,415,381	$278,313,471
DEPRECIATION AND AMORTIZATION	166,037,283	185,651,245	199,569,764	240,260,105	295,381,151	249,911,572	289,769,549	323,174,560
TRAFFIC	71,372,388	73,981,352	79,896,193	79,331,689	78,191,162	52,067,581	58,967,916	52,634,228
COMMERCIAL	125,717,250	147,941,033	173,991,643	196,475,222	177,817,652	146,576,291	127,539,993	130,516,620
ACCESS EXPENSES	0	0	0	0	0	0	444,155	6,816,619
GENERAL OFFICE	77,963,725	94,170,148	109,001,283	113,200,951	133,567,028	137,751,764	144,291,734	153,741,129
OTHER OPERATING EXPENSES	124,525,052	146,480,691	163,402,324	177,733,246	171,969,597	170,401,494	180,838,983	141,234,216
TOTAL OPERATING REVENUE EXPENSES	$821,235,417	$922,812,528	$1,056,067,209	$1,175,773,949	$1,243,593,893	$1,056,091,556	$1,076,267,711	$1,086,430,843
INVESTMENT CREDIT - NET	$36,662,823	$39,251,738	$36,262,438	$24,901,243	$8,859,257	($51,521)	$11,931,027	$8,900,770
FEDERAL INCOME TAXES	(822,056)	1,145,274	10,356,621	21,875,401	80,517,235	88,751,652	75,057,878	39,352,354
OTHER OPERATING TAXES	110,603,256	111,634,021	135,068,945	149,072,573	137,924,355	132,634,415	138,648,253	142,440,994
OPERATING FED.INCOME TAX DEFER - ACC.DEP	48,654,582	53,930,586	76,836,113	87,326,062	88,777,615	78,502,377	81,225,957	79,275,708
OPER.FED. INCOME TAX DEFER - OTHER	7,102,560	8,168,417	8,241,922	15,696,320	13,114,743	9,359,875	10,998,399	34,315,327
INC. CREDITS FROM PRIOR FED. TAXES	8,518,475	11,653,198	15,012,919	18,483,989	25,695,422	25,670,469	33,875,928	(33,424,255)
TOTAL OPERATING TAXES	$193,682,690	$202,476,838	$251,753,120	$280,387,610	$303,497,783	$283,726,329	$283,985,586	$270,860,898
TOTAL OPERATING REV DEDUCTIONS	$1,014,918,107	$1,125,289,366	$1,307,820,329	$1,456,161,559	$1,547,091,676	$1,339,817,885	$1,360,253,297	$1,357,291,741
NET OPERATING INCOME	$217,222,821	$260,415,256	$289,287,231	$295,946,985	$327,097,073	$293,782,608	$308,198,326	$288,640,377
100.1 TELEPHONE PLANT IN SERVICE	$3,182,538,128	$3,593,609,033	$3,947,540,166	$4,270,695,861	$4,483,670,305	$4,071,112,005	$4,335,332,689	4,604,582,753
100.3 PROPERTY HELD FOR FUTURE USE	1,013,431	934,439	860,014	107,117	196,421	115,756	39,933	105,404
LESS: 171 & 172 DEP. & AMORT. RESERVES	573,331,516	614,655,585	671,338,970	754,329,871	921,379,204	926,340,028	1,107,376,428	1,253,981,161
NET TELEPHONE PLANT END OF YEAR(DEC)	$2,610,220,043	$2,979,887,887	$3,277,061,210	$3,516,473,107	$3,562,487,522	$3,144,887,733	$3,227,996,194	$3,350,706,996
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	28,160,886	29,834,815	31,338,890	31,928,228	32,210,478	32,610,115	33,020,448	33,539,586
AERIAL WIRE	58,629	50,987	45,025	41,077	55,255	51,890	58,627	56,627
UNDERGROUND CONDUIT (SINGLE DUCT)	15,928	16,849	17,261	16,914	16,843	17,096	17,782	17,619
CARRIER CHANNEL(TELEPHONE)	13,506,309	15,340,554	18,785,158	22,590,878	35,945,038	13,928,684	19,126,839	29,336,954
NUMBER OF POLES	379,535	366,530	352,418	342,812	335,761	324,767	317,448	310,048
NUMBER OF CENTRAL OFFICES	520	537	554	558	563	268	268	266
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	1,780,117	1,812,641	1,845,897
ACCESS LINES(BUSINESS)	0	0	0	0	0	769,696	792,910	787,486
ACCESS LINES(PUBLIC)	0	0	0	0	0	36,815	37,574	36,669
ACCESS LINES(TOTAL)	0	0	0	0	0	2,586,628	2,643,125	2,670,052

TABLE 32.4

BLOCK4: NET INCOME & PLANT STATS.
TOTAL COMPANY
AUGUST 3, 1987

UNITED TELEPHONE COMPANY -- TOTAL COMPANY OPERATIONS
NET OPERATING INCOME AND PLANT STATISTICS

	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES								
LOCAL SERVICE	$12,065,570	$13,719,154	$16,437,901	$17,387,554	$17,077,982	$16,636,804	$16,805,294	$18,229,397
ACCESS REVENUES	0	0	0	0	0	31,448,665	37,646,798	42,016,006
TOLL SERVICE	30,138,937	36,138,211	42,571,575	46,078,434	49,723,362	26,243,498	18,814,571	13,577,523
MISCELLANEOUS	1,235,090	1,428,660	1,644,370	1,803,483	2,122,349	4,151,173	4,659,560	3,782,576
UNCOLLECTIBLES - DEBIT	546,043	658,228	709,909	918,911	867,342	324,655	205,862	242,474
TOTAL OPERATING REVENUES	$42,893,554	$50,627,777	$59,943,937	$64,350,560	$68,056,351	$78,155,485	$77,720,361	$77,363,028
OPERATING REVENUE EXPENSES								
MAINTENANCE	$8,987,472	$9,680,474	$10,829,787	$13,727,871	$12,441,463	$12,483,426	$11,781,378	$14,254,489
DEPRECIATION AND AMORTIZATION	8,649,248	9,877,503	13,341,868	14,015,383	15,135,286	17,390,341	17,375,450	16,226,168
TRAFFIC	1,208,616	1,049,464	850,643	1,077,901	997,975	1,152,020	1,152,176	845,663
COMMERCIAL	2,453,573	2,730,231	3,110,976	3,653,873	3,693,092	3,948,655	4,429,756	3,671,190
ACCESS EXPENSES	0	0	0	0	0	0	0	0
GENERAL OFFICE	3,288,277	4,087,062	4,742,978	6,066,015	6,941,473	7,197,013	8,478,599	8,958,753
OTHER OPERATING EXPENSES	1,748,501	1,992,023	2,636,628	3,291,269	3,797,416	6,224,079	5,276,219	6,972,254
TOTAL OPERATING REVENUE EXPENSES	$26,335,687	$29,416,757	$35,512,880	$41,832,312	$43,006,705	$48,395,534	$48,493,578	$50,928,517
INVESTMENT CREDIT - NET	$2,035,944	$1,270,692	$1,174,777	$597,736	($10,046)	$176,960	$282,735	($1,760,683)
FEDERAL INCOME TAXES	(126,354)	2,571,943	4,034,049	3,153,629	5,235,094	7,371,408	6,992,111	7,407,652
OTHER OPERATING TAXES	3,003,370	3,193,846	3,756,303	3,814,279	3,832,687	4,288,849	4,607,538	4,552,305
OPERATING FED.INCOME TAX DEFER - ACC.DEP	1,745,306	1,626,192	1,518,161	1,638,120	1,698,661	1,366,053	1,393,548	1,432,660
OPER.FED. INCOME TAX DEFER - OTHER	0	(101,300)	0	0	0	0	0	71,407
INC. CREDITS FROM PRIOR FED. TAXES	0	65,406	0	0	0	0	0	0
TOTAL OPERATING TAXES	$6,658,266	$8,495,967	$10,483,290	$9,203,764	$10,756,396	$13,203,270	$13,275,932	$11,703,341
TOTAL OPERATING REV DEDUCTIONS	$32,993,953	$37,912,724	$45,996,170	$51,036,076	$53,763,101	$61,598,804	$61,769,510	$62,631,858
NET OPERATING INCOME	$9,899,601	$12,715,053	$13,947,767	$13,314,484	$14,293,250	$16,556,681	$15,950,851	$14,731,170
100.1 TELEPHONE PLANT IN SERVICE	$138,525,470	$152,505,418	$166,760,118	$177,533,251	$183,984,883	$193,917,391	$203,600,578	211,912,122
100.3 PROPERTY HELD FOR FUTURE USE	3,240	0	174,283	144,807	69,304	69,749	59,083	56,776
LESS: 171 & 172 DEP. & AMORT. RESERVES	27,921,895	30,693,341	36,967,076	42,863,968	53,424,113	63,486,124	72,610,501	81,780,988
NET TELEPHONE PLANT END OF YEAR(DEC)	$110,606,815	$121,812,077	$129,967,325	$134,814,090	$130,610,074	$130,501,016	$131,049,160	$130,187,910
PRIMARY STATISTICS								
MILES OF: WIRE IN CABLE	658,707	673,264	700,037	714,920	729,941	747,481	761,506	847,363
AERIAL WIRE	12,627	12,435	12,417	13,413	12,131	12,118	12,832	10,820
UNDERGROUND CONDUIT (SINGLE DUCT)	50	66	69	70	73	74	74	75
CARRIER CHANNEL(TELEPHONE)	48,743	83,435	98,198	110,265	130,402	144,659	178,015	199,521
NUMBER OF POLES	38,591	40,603	39,997	38,945	37,743	37,853	37,401	36,337
NUMBER OF CENTRAL OFFICES	60	61	61	61	61	63	66	62
ACCESS LINES(RESIDENTIAL)	0	0	0	0	0	69,833	70,774	63,486
ACCESS LINES(BUSINESS)	0	0	0	0	0	18,508	22,180	28,231
ACCESS LINES(PUBLIC)	0	0	0	0	0	830	850	994
ACCESS LINES(TOTAL)	0	0	0	0	0	89,171	93,804	92,711

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ANNUAL STATISTICS

of

GAS COMPANIES

1977-1986

Prepared by Revenue Requirements Section
August, 1987

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
Olympia, Washington
98504

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INTRODUCTION

As part of its regulatory activities, the Utilities and Transportation Commission reviews the annual reports submitted by the regulated class "A" gas utility companies operating in Washington State and publishes relevant information on financial and other operations of those utilities. This report presents the annual statistics of Washington's four class "A" gas utilities for the years 1977 through 1986.

GAS UTILITIES OPERATING IN WASHINGTON

The four class "A" utilities that operate in Washington State are: Cascade Natural Gas, Northwest Natural Gas, Washington Natural Gas and The Washington Water Power Company. According to the revenue generated in 1986, (see Table I below) all except Northwest Natural Gas operate primarily within the state.

TABLE I
GROSS OPERATING REVENUE BY COMPANY
1986 ($ MILLION)

	TOTAL COMPANY	WASHINGTON STATE	STATE SHARE (%)
Cascade Natural Gas:	146.2	124.1	84.9
Northwest Natural Gas:	314.9	27.2	8.6
Washington Natural Gas:	314.7	314.7	100.0
Washington Water Power:	85.6	65.3	76.3
Total All Utilities:	861.4	531.3	61.7

MAJOR INFORMATION BLOCKS - ANNUAL REPORTS TO COMMISSION

The annual reports submitted by the gas companies contain a large number of schedules following the system of national accounts. Some of the major and relevant information blocks are:

Block 1: Balance Sheet--Assets and Other Debits
Block 2: Balance Sheet--Liabilities and Other Credits
Block 3: Statement of Income
Block 4: Statement of Income (continued)
Block 5: Statement of Unappropriated Retained Earnings
Block 6: Net Gas Operating Income
Block 7: Changes in Financial Position
Block 8: Plant, Production and Sales Statistics
Block 9: Sales Statistics for Gas Operations

Annual data for Blocks 1 through 5 and 7 are provided for total company only; whereas data for Blocks 6, 8 and 9 are provided both by total company and Washington State operations.

FORMAT AND CONTENT OF ANNUAL STATISTICS REPORT

The financial and operations data are presented in tabular form in this report for each of the four gas utilities and for a corresponding state and company total. Twelve tables (nine "Company Totals" and three "State Operations Only Totals"), are included for each Cascade, Northwest Natural, and Washington Water Power Company. Only nine tables are included for Washington Natural Gas since this company operates only within the state

and the "Company Total" and "State Operations Only Total" are identical.

Each table is labeled for ease of use and comparison as follows:

1. Three Letters - The letters are an acronym for the company providing the information.
2. One Digit - The number is based on the information blocks above.
3. Blank or "S" - An "S" is found at the end of the label if the table reflects Washington State operations only. If the label ends with a digit, the table contains total company information.

For example, Table CSC.1 contains data on Balance Sheet - Assets for Cascade Natural Gas and the figures reflect total company operations. However, Table CSC.6S contains Cascade Natural Gas information, for state operations only. If comparative analyses of multiple companies are needed, simply find tables of like number, e.g., Table CSC.1, Table NWN.1, Table WNG.1, and Table WWP.1 for comparison of total assets.

DATA USES

Data presented here can be used for a variety of purposes. For example, comparative analyses of changes in financial position for all companies except Washington Natural Gas, whose operations are in-state only, can be made. On the other hand, the average number of gas customers per month for Washington Water Power and Cascade Power Companies' Washington State operations can be compared. Additionally, a single company's share of the total sales of all companies can be computed.

Moreover, an analysis can be made of the overall revenue and expenditure of the total Washington operations as in Table II. The sources of gas revenues indicate that nearly 63 percent of the gas revenues are generated from industrial and commercial sales, whereas the residential sales account for 33 percent, and miscellaneous other gas revenues account for 4 percent.

A brief look at the expenditures for 1986 (Table II) indicates operating expenses consist mostly of costs of producing manufactured and natural gas. Taxes and depreciation account for about 12 to 16 percent of the total revenues. After allowing for all the expenses, the net operating income accounts for about 10 percent of the gross operating revenues (See Chart I for distribution of revenue by percent and Chart II for sources of expenditure.)

CAUTIONARY NOTE

Since the publication of the last annual statistics in November 1985, some of the data presented here have been revised based on the suggestions received from the gas utilities.

As in any attempt to develop continuous and comparable time series data, one of the main problems is to assure comparability of various data elements. Though comparability is assured at broad group levels, the individual data elements that are added due to changes in accounting systems pose a continuous problem for comparison over time. For instance, in the "Statement of Income (Continued)" table for Washington Water Power, Northwest Natural Gas, and the total of all companies note item 19 - Allowance for Borrowed Funds Used During Construction, appears

first in 1983. Similarly, in the "Balance Sheet--Liabilities and Other Credits" table, note the section labeled "Other Noncurrent Liabilities" (items 56-59). This section's items first appear for Washington Water Power in 1984. These problems are under continuous investigation and changes and improvements will be incorporated as and when they become appropriate.

Readers are requested to send their comments and suggestions to the attention of Dr. S. Ananda Rao, Coordinator, Reports and Statistics, either in writing or by phone (206-753-3006).

CHART I
Class 'A' Gas Utilities
Washington State Operations
PERCENT DISTRIBUTION
OF OPERATING REVENUES

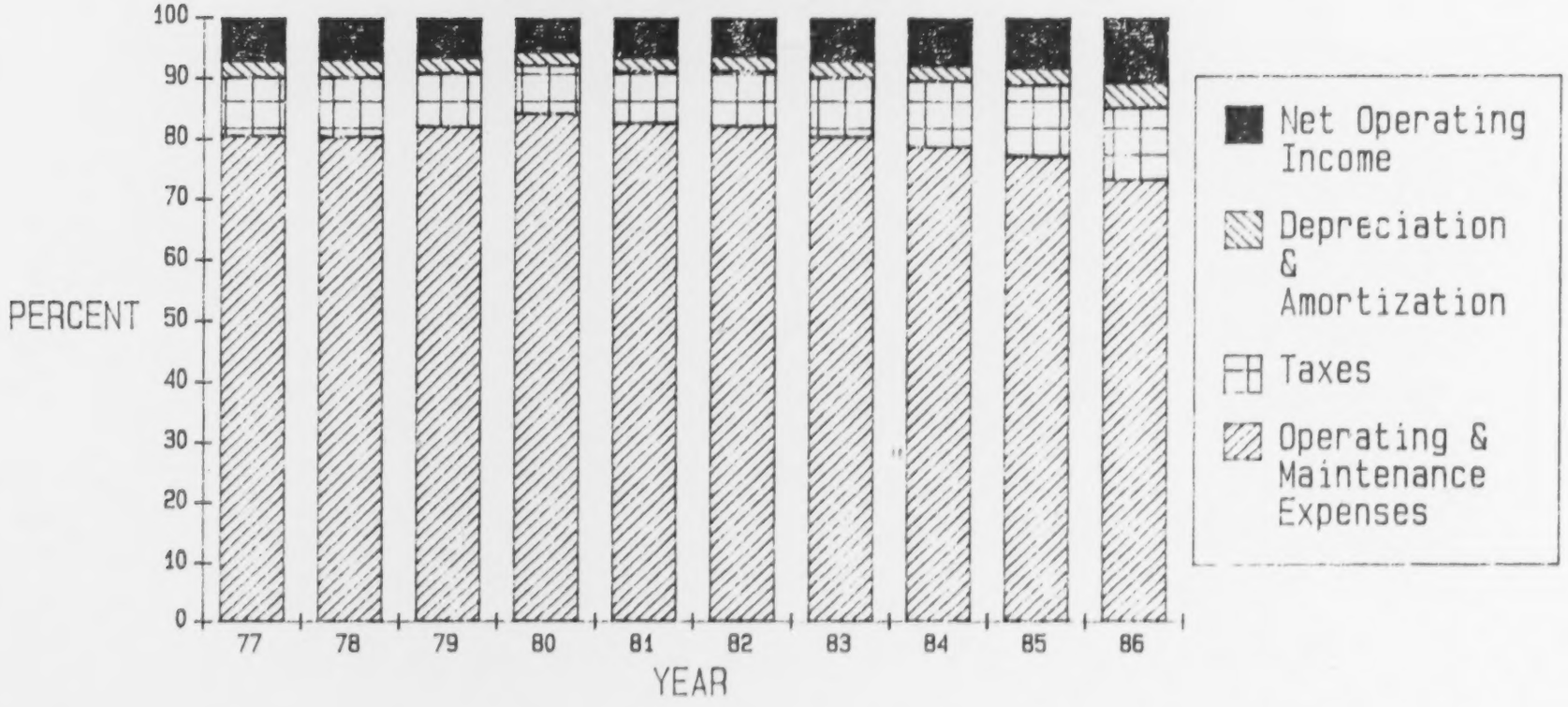

CHART II
Class 'A' Gas Utilities
Washington State Operations
DISTRIBUTION OF OPERATING REVENUES

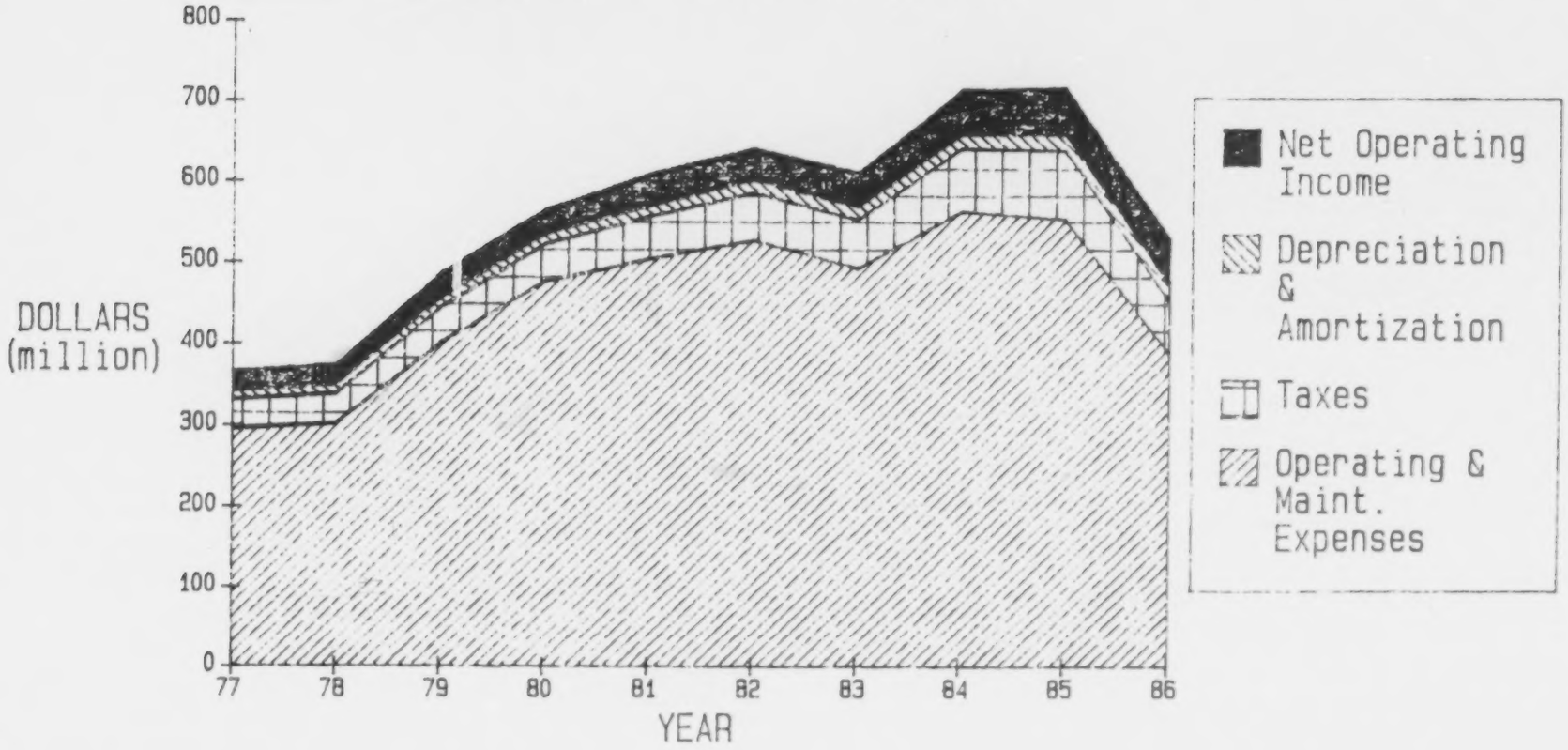

TABLE II -- SUMMARY

TABLE II
TOTAL MAJOR GAS UTILITIES -- WASHINGTON OPERATIONS ONLY
SOURCES AND DISTRIBUTION OF REVENUE AND EXPENDITURE

SOURCES OF REVENUE	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
RESIDENTIAL SALES	$103,675,016	$111,481,401	$128,476,433	$156,618,121	$160,942,444	$198,626,755	$177,670,985	$198,335,323	$216,257,138	$176,557,150
COMMERCIAL SALES	65,556,826	94,964,678	112,406,825	144,285,165	149,751,081	185,360,122	170,636,743	193,533,314	204,762,072	158,857,174
INDUSTRIAL SALES	186,017,905	166,150,102	231,386,096	260,740,342	296,696,457	253,154,836	258,463,260	317,141,898	289,316,378	173,755,703
OTHER SALES	9,405,507	0	13,355,994	1,594,189	0	784,555	0	0	0	0
OTHER GAS REVENUE	2,897,335	3,986,782	2,929,353	3,552,621	3,771,272	5,019,144	5,782,751	6,836,298	7,572,108	22,025,341
TOTAL SALES	$367,552,589	$376,582,963	$488,554,701	$566,790,438	$611,161,254	$642,945,412	$612,553,739	$715,846,833	$717,907,696	$531,195,368
DISTRIBUTION OF REVENUE BY SOURCES(%)										
RESIDENTIAL SALES	28.21	29.60	26.30	27.63	26.33	30.89	29.00	27.71	30.12	33.24
COMMERCIAL SALES	17.84	25.22	23.01	25.46	24.50	28.83	27.86	27.04	28.52	29.91
INDUSTRIAL SALES	50.61	44.12	47.36	46.00	48.55	39.37	42.19	44.30	40.30	32.71
OTHER SALES	2.56	0.00	2.73	0.28	0.00	0.12	0.00	0.00	0.00	0.00
OTHER GAS REVENUE	0.79	1.06	0.60	0.63	0.62	0.78	0.94	0.95	1.05	4.15
TOTAL DISTRIBUTION(%)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SOURCES OF EXPENDITURE:										
OPERATING AND MAINTENANCE EXPENSES	$295,997,293	$302,737,482	$400,781,413	$477,046,292	$504,534,575	$528,115,206	$493,104,779	$563,473,668	$553,384,982	$388,900,648
DEPRECIATIION AND AMORTIZATION EXPENSES	10,259,622	11,466,451	12,043,778	12,922,869	14,165,665	15,824,404	17,080,401	18,161,378	20,292,396	22,049,503
TAXES	35,366,895	36,373,714	43,434,822	45,357,696	51,912,166	58,765,147	59,145,395	77,910,000	84,733,698	63,183,196
TOTAL EXPENDITURE:	$341,623,810	$350,577,647	$456,260,013	$535,326,857	$570,612,406	$602,704,757	$569,330,575	$659,545,046	$658,411,076	$474,133,347
NET OPERATING INCOME	$25,928,779	$26,005,316	$32,294,688	$31,463,581	$40,548,848	$40,240,655	$43,223,164	$56,301,787	$59,496,620	$57,062,021
DISTRIBUTION OF REVENUE(%)										
OPERATING AND MAINTENANCE EXPENSES	80.53	80.39	82.03	84.17	82.55	82.14	80.50	78.71	77.08	73.21
DEPRECIATIION AND AMORTIZATION EXPENSES	2.79	3.04	2.47	2.28	2.32	2.46	2.79	2.54	2.83	4.15
TAXES	9.62	9.66	8.89	8.00	8.49	9.14	9.66	10.88	11.80	11.89
NET OPERATING INCOME	7.05	6.91	6.61	5.55	6.63	6.26	7.06	7.87	8.29	10.74
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

SOURCE: TABLE ALL.6S

APPENDIX: ANNUAL GAS STATISTICS TABLES BY COMPANY AND BLOCKS

COMPANIES:

CSC: Cascade Natural Gas Company
NWNG: Northwest Natural Gas Company
WNG: Washington Natural Gas Company
WWP: Washington Water Power Company
ALL: Total of all four companies

Information Blocks:

Block1: Balance Sheet --Assets and Other Debits
Block2: Balance Sheet -- Liabilities and Other Credits
Block3: Statement of Income
Block4: Statement of Income (continued)
Block5: Statement of Unappropriated Retained Earnings
Block6: Net Gas Operating Income
Block7: Changes in Financial Position
Block8: Plant, Production and Sales Statistics
Block9: Sales Statitics for Gas Operations

Statistical Tables by Company and Blocks

CSC.1	NWNG.1	WNG.1	WWP.1	ALL.1	Balance Sheet --Assets and Other Debits -- TOTAL COMPANY
CSC.2	NWNG.2	WNG.2	WWP.2	ALL.2	Balance Sheet -- Liabilities and Other Credits -- TOTAL COMPANY
CSC.3	NWNG.3	WNG.3	WWP.3	ALL.3	Statement of Income -- TOTAL COMPANY
CSC.4	NWNG.4	WNG.4	WWP.4	ALL.4	Statement of Income (continued) -- TOTAL COMPANY
CSC.5	NWNG.5	WNG.5	WWP.5	ALL.5	Statement of Unappropriated Retained Earnings -- TOTAL COMPANY
CSC.6	NWNG.6	WNG.6	WWP.6	ALL.6	Net Gas Opderating Income -- TOTAL COMPANY
CSC.6S	NWNG.6S	------	WWP.6S	ALL.6S	Net Gas Operating Income -- WASHINGTON STATE ONLY
CSC.7	NWNG.7	WNG.7	WWP.7	ALL.7	Changes in Financial Position -- TOTAL COMPANY
CSC.8	NWNG.8	WNG.8	WWP.8	ALL.8	Plant, Production and Sales Statistics -- TOTAL COMPANY
CSC.8S	NWNG.8S	------	WWP.8S	ALL.8S	Plant, Production and Sales Statistics -- WASHINGTON STATE ONLY
CSC.9	NWNG.9	WNG.9	WWP.9	ALL.9	Sales Statitics for Gas Operations -- TOTAL COMPANY
CSC.9S	NWNG.9S	------	WWP.9S	ALL.9S	Sales Statitics for Gas Operations -- WASHINGTON STATE ONLY

Note: Tables in the appendix are arranged by company.

CASCADE:1
AUGUST 31, 1987

CASCADE NATURAL GAS CORPORATION ** TOTAL COMPANY OPERATIONS **
BALANCE SHEET -- ASSETS AND OTHER DEBITS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
UTILITY PLANT										
UTILITY PLANT	$113,453,185	$118,057,601	$125,198,987	$131,656,703	$143,400,137	$150,928,609	$160,176,173	$165,214,909	$171,591,199	$184,216,077
CONSTRUCTION WORK IN PROGRESS	644,319	746,731	880,393	4,819,615	910,563	560,034	706,630	988,629	2,316,028	2,426,279
TOTAL UTILITY PLANT	114,097,504	118,804,332	126,079,380	136,476,318	144,310,700	151,488,643	160,882,803	166,203,538	173,907,227	186,642,356
LESS ACCUM. PROV. FOR DEPR.AMORT. & DEPL.	29,212,800	32,564,256	36,187,595	40,070,491	43,661,003	48,222,519	52,678,647	58,000,541	63,017,032	69,398,429
NET UTILITY PLANT	84,884,704	86,240,076	89,891,785	96,405,827	100,649,697	103,266,124	108,204,156	108,202,997	110,890,195	117,243,927
GAS STORED UNDERGROUND - NONCURRENT	0	0	0	0	0	0	0	0	0	0
UTILITY PLANT ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0
OTHER PROPERTY AND INVESTMENTS										
NONUTIL. PROP.(LESS ACCUM. DEPR.& AMORT.)	3,589	2,595	673,292	675,688	456,452	456,452	456,452	456,452	466,275	1,451,423
INVESTMENT IN ASSOCIATED COMPANIES	0	0	0	0	0	0	0	0	0	0
INVESTMENT IN SUBSIDIARY COMPANIES	1,091,782	1,088,903	940,197	997,179	982,888	1,003,446	1,607,468	1,673,011	1,814,551	2,417,228
OTHER INVESTMENTS	2,744	2,744	2,744	2,744	2,744	41,986	292,860	536,606	1,119,574	1,294,748
SPECIAL FUNDS	1,804,432	5,500	320,000	0	0	33,300	2,755	2,755	0	0
TOTAL OTHER PROPERTY AND INVESTMENTS	2,902,547	1,099,742	1,936,233	1,675,611	1,442,084	1,625,184	2,359,535	2,668,824	3,400,400	5,163,399
CURRENT AND ACCRUED ASSETS										
CASH	1,795,751	567,609	1,002,197	264,323	425,625	875,379	648,488	3,217,730	1,438,859	548,785
SPECIAL DEPOSITS	462	462	462	2,962	2,962	462	462	457	457	457
WORKING FUNDS	21,450	24,775	24,955	25,455	41,100	26,450	26,400	26,297	26,775	26,775
TEMPORARY CASH INVESTMENTS	0	0	0	0	750,000	0	1,937,361	0	2,291,357	0
NOTES & ACCTS. REC.(LESS PROV. FOR UNCOLL. ACCTS.)	14,694,624	15,301,989	20,167,875	18,316,749	19,351,205	20,369,451	24,725,550	24,869,242	24,782,842	14,403,450
RECEIVABLES FROM ASSOC. COMPANIES	1,078	0	0	0	115	240	100,322	1,050,170	1,994,558	3,289,211
MATERIALS AND SUPPLIES	701,385	883,410	984,184	1,236,881	1,449,074	1,176,982	956,706	1,042,029	1,407,041	1,136,400
GAS STORED UNDERGROUND - CURRENT	0	0	0	0	0	0	0	0	0	0
LIQUEFIED NATURAL GAS STORED	556,573	556,573	837,164	1,712,380	2,295,294	2,295,294	1,517,429	0	0	0
PREPAYMENTS	674,069	392,585	386,178	461,733	444,035	549,637	437,649	567,035	1,076,314	2,811,610
ADVANCES FOR GAS EXPLORATION, DEV. & PRODUCTION	0	0	0	0	0	0	0	0	0	0
OTHER ADVANCES FOR GAS	0	0	0	0	0	0	0	0	0	0
INTEREST AND DIVIDENDS RECEIVABLE	25,817	0	0	0	266	0	15,849	0	7,578	0
RENTS RECEIVABLE	0	0	3,149	0	0	0	0	0	0	0
ACCRUED UTILITY REVENUES	2,786,807	3,736,077	3,427,942	3,610,446	4,805,041	4,771,951	5,898,501	5,504,837	5,454,729	3,657,455
MISC. CURRENT AND ACCRUED ASSETS	0	0	20,408	16,799	15,956	10,308	8,580	6,272	6,354	11,017
TOTAL CURRENT AND ACCRUED ASSETS	21,258,016	21,463,480	26,854,514	25,647,728	29,580,673	30,076,154	36,273,297	36,284,069	38,486,864	25,885,160
DEFERRED DEBITS										
UNAMORTIZED DEBT EXPENSE	1,052,678	953,600	823,225	829,991	1,492,237	1,324,915	1,924,573	1,704,756	1,699,491	2,788,190
EXTRAORDINARY PROPERTY LOSSES	32,687	26,150	19,612	13,075	6,537	0	0	0	0	0
PRELIM. SURVEY & INVESTIGATION CHARGES	3,035	3,035	3,035	0	0	145,045	0	0	0	0
CLEARING ACCOUNTS	10,778	14,045	37,017	16,527	9,075	3,547	3,820	(820)	(1,041)	5,267
TEMPORARY FACILITIES	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS DEFERRED DEBITS	(38,701)	134,351	135,366	174,367	334,631	466,318	692,240	537,408	722,723	809,134
DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
RESEARCH, DEVELOPMENT & DEMO. EXPENDITURES	0	0	0	0	4,540	13,273	19,500	0	0	0
UNAMORTIZED LOSS ON REACQUIRED DEBT	0	0	0	0	0	0	0	0	0	0
ACCUMULATED DEFERRED INCOME TAXES	0	0	0	0	0	0	0	0	0	0
UNRECOVERED PURCHASED GAS COSTS	0	0	0	0	9,230	13,992	3,639	0	0	0
TOTAL DEFERRED DEBITS	1,060,477	1,131,181	1,018,255	1,033,960	1,856,250	1,967,090	2,643,772	2,241,344	2,421,173	3,602,591
TOTAL ASSETS AND OTHER DEBITS	$110,105,744	$109,934,479	$119,700,787	$124,763,126	$133,528,704	$136,934,552	$149,480,760	$149,397,234	$155,198,632	$151,895,077

CASCADE: 2
AUGUST 31, 1987

CASCADE NATURAL GAS CORPORATION ** TOTAL COMPANY OPERATIONS **
BALANCE SHEET -- LIABILITIES AND OTHER CREDITS

PROPRIETARY CAPITAL	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
COMMON STOCK ISSUED	$2,219,393	$2,351,554	$2,546,503	$2,676,073	$3,324,368	$3,391,053	$3,478,116	$3,559,777	$3,855,124	$3,894,448
PREFERRED STOCK ISSUED	10,207,240	9,933,912	7,797,805	6,296,615	5,593,057	5,083,037	4,882,756	4,475,406	3,778,391	3,533,761
CAPITAL STOCK SUBSCRIBED	0	0	0	0	0	0	0	0	0	0
STOCK LIABILITY FOR CONVERSION	0	0	0	0	0	0	0	0	0	0
PREMIUM ON CAPITAL STOCK	16,106,742	17,037,840	18,731,952	19,858,359	24,617,789	25,164,933	25,891,599	26,646,639	29,783,613	30,395,456
OTHER PAID-IN CAPITAL	517,174	578,765	617,729	672,247	757,532	805,770	812,648	900,921	907,707	947,764
INSTALLMENTS RECEIVED ON CAPITAL STOCK	0	0	0	0	0	0	0	0	0	0
DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0	0	0
CAPITAL STOCK EXPENSE	(679,404)	(677,373)	(561,791)	(483,826)	(958,491)	(949,206)	(940,890)	(932,615)	(896,839)	(892,697)
RETAINED EARNINGS	7,486,901	6,847,285	9,239,295	10,698,663	11,159,895	10,182,264	8,357,432	11,574,641	13,902,989	10,158,151
UNAPP. UNDISTRIBUTED SUBSIDIARY EARNINGS	318,132	315,254	166,547	223,529	209,238	269,797	333,818	399,362	480,901	173,578
REACQUIRED CAPITAL STOCK	0	0	0	0	0	(8,636)	0	0	0	0
TOTAL PROPRIETARY CAPITAL	36,176,178	36,387,237	38,538,040	39,941,660	44,703,308	43,939,012	42,815,479	46,624,131	51,811,886	48,210,461
LONG TERM DEBT										
BONDS	36,532,000	33,721,500	31,201,850	35,729,090	32,180,282	28,047,370	25,331,984	20,965,426	16,286,980	13,229,044
ADVANCES FROM ASSOCIATED COMPANIES	0	0	0	0	0	0	0	0	0	0
OTHER LONG-TERM DEBT	20,111,000	20,806,000	25,425,000	23,253,000	26,985,000	34,159,000	43,638,000	41,375,000	46,082,000	50,979,378
UNAMORTIZED PREMIUM ON LONG-TERM DEBT	0	0	0	0	0	0	0	0	0	0
UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	0	0	0	0	0	0	0	0	0	0
TOTAL LONG-TERM DEBT	56,643,000	54,527,500	56,626,850	58,982,090	59,165,282	62,206,370	68,969,984	62,340,426	62,368,980	64,208,422
CURRENT AND ACCRUED LIABILITIES										
NOTES PAYABLE	0	0	0	0	0	0	0	0	0	5,600,000
ACCOUNTS PAYABLE	11,031,607	11,793,632	14,905,728	16,198,203	19,254,162	17,911,747	21,600,705	20,567,110	20,126,587	12,663,400
PAYABLES TO ASSOCIATED COMPANIES	0	0	0	0	0	0	21	23	1,173	2,216
CUSTOMER DEPOSITS	390,656	415,882	477,810	676,071	800,212	869,742	837,829	802,916	840,372	841,803
TAXES ACCRUED	1,651,538	2,824,983	4,507,500	2,692,440	2,153,105	2,902,454	2,624,001	6,140,317	3,256,694	2,710,141
INTEREST ACCRUED	686,521	659,765	648,491	1,014,464	1,166,158	1,655,808	2,080,096	2,338,443	2,483,869	1,861,727
DIVIDENDS DECLARED	724,860	754,623	712,365	795,180	1,018,244	1,028,230	1,049,082	1,136,873	1,289,941	1,298,826
MATURED LONG TERM DEBT	0	0	0	0	0	0	0	0	0	0
MATURED INTEREST	0	0	0	0	0	0	0	0	0	0
TAX COLLECTIONS PAYABLE	14,065	17,383	26,237	23,970	27,182	22,664	154	69,722	(107)	(489)
MISC. CURRENT & ACCRUED LIABILITIES	215,066	247,777	267,021	286,401	301,644	307,718	343,127	310,236	305,142	328,212
OBLIGATIONS UNDER CAPITAL LEASES--CURRENT	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT AND ACCRUED LIABILITIES	14,714,313	16,714,045	21,545,152	21,686,729	24,720,707	24,698,363	28,535,015	31,365,640	28,303,671	25,305,836
DEFERRED CREDITS										
CUSTOMER ADVANCES FOR CONSTRUCTION	115,058	112,606	179,909	314,651	374,545	440,375	350,370	331,959	295,734	235,708
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	1,716,700	2,130,600	2,757,000	3,195,600	4,113,700	4,676,000	5,349,000	5,605,195	5,959,801	5,829,498
DEFERRED GAINS FROM DISP.OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
OTHER DEFERRED CREDITS	740,495	62,491	53,836	642,396	141,082	88,932	1,596,746	272,106	2,501,671	2,054,844
UNAMORTIZED GAIN ON REACQUIRED DEBT	0	0	0	0	0	0	0	0	0	0
ACCUMULATED DEFERRED INCOME TAXES	0	0	0	0	310,000	885,500	1,864,166	2,857,777	3,956,889	6,050,308
TOTAL DEFERRED CREDITS	2,572,253	2,305,697	2,990,745	4,152,647	4,939,327	6,090,807	9,160,282	9,067,037	12,714,095	14,170,358
OTHER NONCURRENT LIABILITIES										
OBLIGATIONS UNDER CAPITAL LEASES--NONCURRENT	0	0	0	0	0	0	0	0	0	0
ACCUMULATED OPERATING RESERVES	0	0	0	0	0	0	0	0	0	0
ACCUMULATED PROVISIONS FOR RATE REFUNDS	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER NONCURRENT LIABILITIES	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES AND OTHER CREDITS	$110,105,744	$109,934,479	$119,700,787	$124,763,126	$133,528,704	$136,934,552	$149,480,760	$149,397,234	$155,198,632	$151,895,077

CASCADE 3:
AUGUST 31, 1987

CASCADE NATURAL GAS CORPORATION ** TOTAL COMPANY OPERATIONS **
STATEMENT OF INCOME

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
UTILITY OPERATING INCOME										
OPERATING REVENUES	$121,769,044	$116,333,699	$150,496,494	$176,100,741	$191,226,281	$193,137,868	$185,309,258	$233,580,557	$218,552,252	$146,241,609
OPERATING EXPENSES:										
OPERATION EXPENSES	100,442,921	95,854,238	123,361,356	148,508,663	161,644,691	162,882,091	155,228,151	190,330,536	176,478,294	118,105,166
MAINTENANCE EXPENSES	931,948	936,072	980,099	1,234,113	1,216,135	1,420,725	1,311,018	1,309,558	1,199,768	1,262,143
DEPRECIATION EXPENSE	3,579,255	3,712,257	3,864,991	4,051,422	4,461,957	4,704,786	4,926,717	5,181,255	5,392,252	5,709,818
AMORT. & DEPL. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
AMORT. OF UTILITY PLANT ACQ. ADJ.	0	0	0	0	0	0	0	0	0	0
AMORT. OF PROPERTY LOSSES	6,538	6,537	6,537	6,537	6,537	6,537	0	0	0	0
AMORT. OF CONVERSION EXPENSES	0	0	0	0	0	0	0	0	0	0
TAXES OTHER THAN INCOME TAXES	7,404,061	7,244,784	8,454,055	9,393,605	10,182,528	11,978,458	12,076,966	14,556,800	14,156,277	10,857,726
INCOME TAXES - FEDERAL	1,878,772	1,153,627	3,321,421	2,605,356	2,012,405	982,363	279,693	5,229,282	4,654,395	(992,555)
- OTHER	47,262	50,420	104,231	87,590	85,000	56,718	33,783	181,210	161,211	(11,986)
PROVISION FOR DEFERRED INCOME TAXES	0	0	0	0	310,000	575,500	978,666	1,052,514	1,166,669	2,261,919
PROVISION FOR DEFERRED INCOME TAXES - CR.	0	0	0	0	0	0	0	(58,903)	(67,557)	(178,401)
INVESTMENT TAX CREDIT ADJ. - NET	312,300	413,900	626,400	494,450	918,100	562,300	673,000	256,195	354,606	(130,303)
GAINS FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
LOSSES FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
TOTAL UTILITY OPERATING EXPENSES	114,603,057	109,371,835	140,719,090	166,381,736	180,837,353	183,169,478	175,507,994	218,038,447	203,495,915	136,883,527
NET UTILITY OPERATING INCOME	$7,165,987	$6,961,864	$9,777,404	$9,719,005	$10,388,928	$9,968,390	$9,801,264	$15,542,110	$15,056,337	$9,358,082
OTHER INCOME AND DEDUCTIONS										
OTHER INCOME:										
NONUTILITY OPERATING INCOME	$0	$0	$0	$0	$0	$0	($9,185)	($8,253)	($12,401)	($22,932)
EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	39,581	(2,879)	(148,707)	56,982	(14,291)	60,559	64,021	65,544	81,539	41,755
INTEREST & DIVIDEND INCOME	179,602	150,316	55,443	21,868	24,194	260,943	78,319	312,103	573,349	925,449
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS NONOPERATING INCOME	49,895	26,534	88,408	84,925	191,654	57,890	64,851	32,289	9,751	(1,002)
GAIN ON DISPOSITION OF PROPERTY	69,904	48,436	0	1,054	2,064	30,025	(277)	0	33,036	0
TOTAL OTHER INCOME	338,982	222,407	(4,856)	164,829	203,621	409,417	197,729	401,683	685,274	943,270
OTHER INCOME DEDUCTIONS:										
LOSS ON DISPOSITION OF PROPERTY	3,610	637	0	0	8,429	0	0	0	0	0
MISCELLANEOUS AMORTIZATION	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS INCOME DEDUCTIONS	99,407	22,838	37,126	47,333	72,487	75,360	72,007	62,448	82,154	461,368
TOTAL OTHER INCOME DEDUCTIONS	103,017	23,475	37,126	47,333	80,916	75,360	72,007	62,448	82,154	461,368
TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS:										
TAXES OTHER THAN INCOME TAXES	0	0	0	0	0	0	0	0	0	8,261
INCOME TAXES - FEDERAL	136,256	117,053	105,849	157,034	64,097	132,854	40,315	128,053	243,025	(1,431)
- OTHER	0	0	0	0	2,823	3,610	1,099	3,314	6,628	(9,455)
PROVISION FOR DEFERRED INCOME TAXES	0	0	0	0	0	0	0	0	0	9,901
PROVISION FOR DEFERRED INCOME TAXES - CR.	0	0	0	0	0	0	0	0	0	0
INVESTMENT TAX CREDIT ADJ. - NET	0	0	0	0	0	0	0	0	0	0
INVESTMENT TAX CREDITS	0	0	0	0	0	0	0	0	0	0
TOTAL TAXES ON OTHER INCOME & DEDUCTIONS	136,256	117,053	105,849	157,034	66,920	136,464	41,414	131,367	249,653	7,276
NET OTHER INCOME & DEDUCTIONS	$99,709	$81,879	($147,831)	($39,538)	$55,785	$197,593	$84,308	$207,668	$353,467	$474,626

CASCADE 4:
AUGUST 31, 1987

CASCADE NATURAL GAS CORPORATION ** TOTAL COMPANY OPERATIONS **
STATEMENT OF INCOME (CONTINUED)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
INTEREST CHARGES										
INTEREST ON LONG-TERM DEBT	$4,121,935	$4,577,063	$4,622,103	$5,124,468	$6,109,857	$6,806,393	$7,416,439	$7,779,232	$7,387,021	$8,197,044
AMORT. OF DEBT DISC. AND EXPENSE	98,483	165,212	148,800	147,973	145,637	196,947	196,230	222,608	216,054	321,246
AMORT. OF LOSS IN REACQUIRED DEBT	0	0	0	0	0	0	0	0	0	0
AMORT. OF PREMIUM ON DEBT-CREDIT	0	0	0	0	0	0	0	0	0	0
AMORT. OF GAIN ON REACQUIRED DEBT-CREDIT	0	0	0	0	0	0	0	0	0	0
INTEREST ON DEBT TO ASSOC. COMPANIES	0	0	0	0	0	0	0	0	0	0
OTHER INTEREST EXPENSE	125,443	38,614	41,669	234,929	21,462	(18,059)	108,685	236,896	525,403	306,192
ALLOW. FOR BORROWED FUNDS USED DURING CONSTN.	(39,996)	(51,079)	(117,185)	(367,278)	0	0	(239,122)	(82,314)	(99,289)	(122,218)
NET INTEREST CHARGES	4,305,865	4,729,810	4,695,387	5,140,092	6,276,956	6,985,281	7,482,232	8,156,422	8,029,189	8,702,264
INCOME BEFORE EXTRAORDINARY ITEMS	2,959,831	2,313,933	4,934,186	4,539,375	4,167,757	3,180,702	2,403,340	7,593,356	7,380,615	1,130,444
EXTRAORDINARY ITEMS										
NET EXTRAORDINARY ITEMS	0	0	0	0	0	0	0	0	0	0
LESS: INCOME TAXES - FEDERAL AND OTHER	0	0	0	0	0	0	0	0	0	0
EXTRAORDINARY ITEMS AFTER TAXES	0	0	0	0	0	0	0	0	0	0
NET INCOME	$2,959,831	$2,313,933	$4,934,186	$4,539,375	$4,167,757	$3,180,702	$2,403,340	$7,593,356	$7,380,615	$1,130,444

CASCADE 5:
AUGUST 31, 1987

CASCADE NATURAL GAS CORPORATION ** TOTAL COMPANY OPERATIONS **
STATEMENT OF UNAPPROPRIATED RETAINED EARNINGS, AND UNAPPROPRIATED
UNDISTRIBUTED SUBSIDIARY EARNINGS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
STATEMENT OF UNAPPROPRIATED RET. EARNINGS										
BALANCE AT BEGINNING OF YEAR	$7,468,436	$7,486,901	$6,847,285	$9,239,295	$10,698,663	$11,159,895	$10,182,263	$8,357,432	$11,574,641	$14,252,067
CREDITS:										
BALANCE TRANSFERRED FROM INCOME	2,920,250	2,316,811	5,082,893	4,482,392	4,182,048	3,120,144	2,339,319	7,527,812	7,299,076	1,088,688
MISCELLANEOUS CREDITS	0	0	0	0	0	0	0	0	0	0
TOTAL CREDITS	2,920,250	2,316,811	5,082,893	4,482,392	4,182,048	3,120,144	2,339,319	7,527,812	7,299,076	1,088,688
DEBITS:										
APPROPRIATIONS OF RETAINED EARNINGS	0	0	0	0	0	0	0	0	0	0
DIVIDENDS DECLARED - COMMON STOCK	2,159,559	2,283,653	2,089,090	2,606,924	3,363,673	3,770,885	3,857,335	4,026,474	4,737,353	4,968,501
DIVIDENDS DECLARED - PREFERRED STOCK	742,226	672,774	601,793	416,100	357,143	326,891	306,815	284,129	233,375	214,103
MISCELLANEOUS DEBITS	0	0	0	0	0	0	0	0	0	0
TOTAL DEBITS	2,901,785	2,956,427	2,690,883	3,023,024	3,720,816	4,097,776	4,164,150	4,310,603	4,970,728	5,182,604
BALANCE AT END OF YEAR	$7,486,901	$6,847,285	$9,239,295	$10,698,663	$11,159,895	$10,182,263	$8,357,432	$11,574,641	$13,902,989	$10,158,151
UNAPPROPRIATED UNDISTRIBUTED SUBS. EARNINGS										
BALANCE AT BEGINNING OF YEAR	$278,552	$318,132	$315,254	$166,547	$223,529	$209,238	$269,797	$333,818	$399,362	$131,823
EQUITY IN EARNINGS FOR YEAR	39,580	(2,878)	(148,707)	56,982	(14,291)	60,559	64,021	65,544	81,539	41,755
DIVIDENDS RECEIVED	0	0	0	0	0	0	0	0	0	0
OTHER CHANGES	0	0	0	0	0	0	0	0	0	0
BALANCE AT END OF YEAR	$318,132	$315,254	$166,547	$223,529	$209,238	$269,797	$333,818	$399,362	$480,901	$173,578

CASCADE : 6TC
AUGUST 31, 1987

CASCADE NATURAL GAS CORPORATION ** TOTAL COMPANY OPERATIONS **
STATEMENT OF NET GAS OPERATING INCOME

STATEMENT OF NET GAS OPERATING INCOME	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES										
RESIDENTIAL SALES	$20,075,944	$21,667,229	$23,918,185	$28,274,539	$27,599,797	$33,440,786	$29,845,133	$33,897,329	$35,810,311	$27,888,747
COMMERCIAL SALES	26,342,051	29,349,982	34,877,327	43,892,020	45,304,631	55,641,500	53,300,947	57,195,130	59,722,595	44,479,150
INDUSTRIAL SALES	75,026,283	64,822,757	91,402,738	103,653,574	118,049,239	103,686,745	103,696,078	141,966,485	122,566,421	71,902,314
OTHER SALES	0	0	0	0	0	0	0	0	0	0
OTHER GAS REVENUES	324,766	493,731	298,244	280,608	272,614	368,837	467,100	521,613	452,925	1,971,399
TOTAL OPERATING REVENUES	121,769,044	116,333,699	150,496,494	176,100,741	191,226,281	193,137,868	187,309,258	233,580,557	218,552,252	146,241,610
OPERATING EXPENSES										
PRODUCTION:										
MANUFACTURED GAS	42,737	27,014	40,249	21,324	24,377	24,770	17,530	14,745	5,515	1,220
NATURAL GAS	92,582,628	87,361,597	113,884,382	137,735,375	149,518,628	149,917,663	141,176,605	175,659,168	160,526,882	101,511,406
UNDERGROUND STORAGE	0	0	0	0	0	0	0	0	0	0
OTHER STORAGE	0	0	0	0	0	0	0	0	0	0
TRANSMISSION	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION	2,934,694	3,169,888	3,462,700	4,040,108	4,402,515	5,053,640	5,241,115	5,300,584	5,693,435	5,599,120
CUSTOMER ACCOUNTS	1,746,722	1,665,518	1,895,480	2,486,055	2,685,273	3,011,833	3,218,304	3,364,807	3,777,973	3,732,791
CUSTOMER SERVICE & INFORMATIONAL EXPENSES	0	161,916	125,916	172,336	146,576	172,296	226,356	215,357	183,324	158,552
SALES	374,347	508,095	700,775	746,628	811,449	865,940	894,780	1,163,990	1,123,407	1,232,621
ADMINISTRATIVE AND GENERAL	3,693,741	3,896,282	4,231,933	4,540,950	5,272,008	5,256,674	5,764,479	5,921,443	6,367,526	7,131,599
WEATHERIZATION	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION AND MAINT. EXPENSES	101,374,869	96,790,310	124,341,455	149,742,776	162,860,826	164,302,816	156,539,169	191,640,094	177,678,062	119,367,309
DEPRECIATION	3,579,255	3,712,257	3,864,991	4,051,422	4,461,957	4,704,786	4,926,717	5,181,255	5,392,252	5,709,819
AMORTIZATION	6,538	6,537	6,537	6,537	6,537	6,537	0	0	0	0
TAXES OTHER THAN INCOME TAXES	7,404,061	7,244,784	8,454,055	9,393,605	10,182,528	11,978,458	12,076,966	14,556,800	14,156,277	10,857,726
INCOME TAXES - FEDERAL	1,878,772	1,153,627	3,321,421	2,605,356	2,012,405	982,363	279,693	5,229,282	4,654,395	(992,555)
- OTHER	47,262	50,420	104,231	87,590	85,000	56,718	33,783	181,210	161,211	(11,986)
PROV. FOR DEFERRED INCOME TAXES	0	0	0	0	310,000	575,500	978,666	1,052,514	1,166,669	2,261,919
INCOME TAXES DEFERRED IN PRIOR YEARS (CR)	0	0	0	0	0	0	0	(58,903)	(67,557)	(178,401)
INVESTMENT TAX CREDIT ADJ. - NET	312,300	413,900	626,400	494,450	918,100	562,300	673,000	256,195	354,606	(130,303)
GAINS OR LOSSES FROM DISPOSITION OF UTILITY	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	114,603,057	109,371,835	140,719,090	166,381,736	180,837,353	183,169,478	175,507,994	218,038,447	203,495,915	136,883,528
NET GAS OPERATING INCOME	$7,165,987	$6,961,864	$9,777,404	$9,719,005	$10,388,928	$9,968,390	$11,801,264	$15,542,110	$15,056,337	$9,358,082
OPERATING GAS REVENUES BY PERCENT										
RESIDENTIAL SALES	16.49%	18.63%	15.89%	16.06%	14.43%	17.31%	15.93%	14.51%	16.39%	19.07%
COMMERCIAL SALES	21.63	25.23	23.17	24.92	23.69	28.81	28.46	24.49	27.33	30.41
INDUSTRIAL SALES	61.61	55.72	60.73	58.86	61.73	53.69	55.36	60.78	56.08	49.17
OTHER SALES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER GAS REVENUES	0.27	0.42	0.20	0.16	0.14	0.19	0.25	0.22	0.21	1.35
TOTAL OPERATING GAS REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CASCADE: 6ST
AUGUST 5, 1987

CASCADE NATURAL GAS CORPORATION ** WASHINGTON OPERATIONS ONLY **
STATEMENT OF NET GAS OPERATING INCOME

STATEMENT OF NET GAS OPERATING INCOME	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES										
RESIDENTIAL SALES	$15,727,628	$16,955,996	$18,799,986	$22,231,162	$21,670,846	$26,276,049	$23,487,301	$26,525,224	$28,091,779	$21,928,137
COMMERCIAL SALES	21,216,448	23,557,919	28,130,863	35,338,305	36,527,850	44,817,610	41,773,891	46,572,814	48,407,991	36,324,915
INDUSTRIAL SALES	68,712,865	58,271,255	84,443,194	94,742,440	107,356,886	92,797,459	92,513,743	126,153,649	109,555,626	64,652,047
OTHER SALES	0	0	0	0	0	0	0	0	0	0
OTHER GAS REVENUES	253,738	293,285	233,140	209,335	222,925	316,996	423,352	465,019	446,345	1,168,623
TOTAL OPERATING REVENUES	105,910,679	99,078,455	131,607,183	152,521,242	165,778,507	164,208,114	158,198,287	199,716,706	186,503,741	124,073,722
OPERATING EXPENSES										
PRODUCTION:										
MANUFACTURED GAS	35,681	22,704	34,184	18,284	20,804	21,160	14,856	12,277	4,588	997
NATURAL GAS	81,322,705	75,409,027	100,353,143	120,597,399	131,401,084	129,186,841	122,068,233	152,225,038	139,060,702	87,909,342
UNDERGROUND STORAGE	0	0	0	0	0	0	0	0	0	0
OTHER STORAGE	0	0	0	0	0	0	0	0	0	0
TRANSMISSION	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION	2,247,576	2,363,322	2,695,260	3,095,824	3,404,735	3,939,960	4,088,220	4,091,940	4,361,672	4,233,628
CUSTOMER ACCOUNTS	1,373,645	1,290,639	1,470,032	1,908,003	2,065,363	2,279,347	2,463,883	2,520,445	2,871,633	2,825,199
CUSTOMER SERVICE & INFORMATIONAL EXPENSES	0	137,724	100,490	111,470	92,643	87,253	101,661	96,954	99,304	99,054
SALES	306,780	411,478	544,420	613,174	660,014	702,318	730,092	916,885	886,724	990,139
ADMINISTRATIVE AND GENERAL	2,893,191	3,057,435	3,289,877	3,467,948	4,032,183	4,046,939	4,470,975	4,597,941	4,815,134	5,469,953
WEATHERIZATION	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION AND MAINT. EXPENSES	88,179,578	82,692,329	108,487,406	129,812,102	141,676,826	140,263,818	133,937,920	164,461,480	152,099,757	101,528,312
DEPRECIATION	2,911,172	3,031,433	3,142,677	3,281,038	3,588,497	3,787,774	3,936,642	4,140,788	4,288,377	4,485,722
AMORTIZATION	0	0	0	0	0	0	0	0	0	0
TAXES OTHER THAN INCOME TAXES	6,703,782	6,529,607	7,672,125	8,540,104	9,264,179	10,919,024	11,068,025	13,402,910	12,934,935	9,695,628
INCOME TAXES - FEDERAL	1,711,937	862,206	3,056,039	2,260,928	1,674,120	683,823	209,686	4,177,150	3,862,217	(829,180)
- OTHER	0	0	0	0	0	0	0	0	0	0
PROV. FOR DEFERRED INCOME TAXES	0	0	0	0	257,889	400,606	733,706	840,748	964,310	1,874,172
INCOME TAXES DEFERRED IN PRIOR YEARS (CR)	0	0	0	0	0	0	0	(47,052)	(56,059)	(149,036)
INVESTMENT TAX CREDIT ADJ. - NET	284,568	309,343	576,351	429,084	765,852	367,635	488,518	202,935	301,509	(98,150)
GAINS OR LOSSES FROM DISPOSITION OF UTILITY	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	99,791,037	93,424,918	122,934,598	144,323,256	157,227,363	156,422,680	150,374,497	187,178,959	174,395,046	116,507,468
NET GAS OPERATING INCOME	$6,119,642	$5,653,537	$8,672,585	$8,197,986	$8,551,144	$7,785,434	$7,823,790	$12,537,747	$12,108,695	$7,566,254
OPERATING GAS REVENUES BY PERCENT										
RESIDENTIAL SALES	14.85%	17.11%	14.28%	14.58%	13.07%	16.00%	14.85%	13.28%	15.06%	17.67%
COMMERCIAL SALES	20.03	23.78	21.37	23.17	22.03	27.29	26.41	23.32	25.96	29.28
INDUSTRIAL SALES	64.88	58.81	64.16	62.12	64.76	56.51	58.48	63.17	58.74	52.11
OTHER SALES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER GAS REVENUES	0.24	0.30	0.18	0.14	0.13	0.19	0.27	0.23	0.24	0.94
TOTAL OPERATING GAS REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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AUGUST 31, 1987

CASCADE NATURAL GAS CORPORATION ** TOTAL COMPANY OPERATIONS **
STATEMENT OF CHANGES IN FINANCIAL POSITION

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
SOURCES OF FUNDS										
NET INCOME	$2,959,831	$2,313,933	$4,934,186	$4,539,374	$4,167,757	$3,180,703	$2,403,340	$7,593,356	$7,380,615	$1,130,443
PRINCIPAL NON-CASH CHARGES (CREDITS) TO INCOME:										
DEPRECIATION & DEPLETION	3,579,255	3,712,257	3,864,991	4,051,422	4,461,956	4,704,786	4,926,717	5,181,255	5,392,252	5,731,343
AMORTIZATION	31,052	171,749	155,337	154,511	221,551	310,746	2,818	371,411	(915,820)	(2,826,143)
PROV. FOR DEF. OR FUTURE INCOME TAXES (NET)	0	0	0	0	310,000	575,500	978,666	993,611	1,099,112	2,093,419
INVESTMENT TAX CREDIT ADJUSTMENTS	312,300	413,900	626,400	438,600	918,100	562,300	673,000	256,195	354,606	(130,303)
OTHER (NET)	705,219	(690,731)	0	(364,243)	(496,674)	0	0	0	0	0
TOTAL FUNDS FROM OPERATIONS	7,587,657	5,921,108	9,580,914	8,819,664	9,582,690	9,334,035	8,984,541	14,395,828	13,310,765	4,868,316
FUNDS FROM OUTSIDE SOURCES (NEW MONEY):										
LONG-TERM DEBT	12,450,000	1,600,000	5,900,000	7,345,260	14,192,117	8,000,000	14,204,112	0	9,581,471	19,763,943
PREFERRED STOCK	36,135	0	0	0	0	0	0	0	0	0
COMMON STOCK	1,008,922	1,063,259	1,887,931	45,196	4,521,665	295,078	732,623	766,386	737,821	651,168
NET INCREASE IN SHORT-TERM DEBT	0	0	0	0	0	0	0	0	0	4,600,000
OTHER (NET)	1,994,687	1,798,932	0	723,302	59,894	92,754	0	0	0	0
TOTAL FUNDS FROM OUTSIDE SOURCES	15,489,744	4,462,191	7,787,931	8,113,758	18,773,676	8,387,832	14,936,735	766,386	10,319,292	25,015,111
SALE OF NON-CURRENT ASSETS	233,856	994	0	320,000	0	0	0	0	0	100,179
CONTRIBUTIONS FROM ASSOC. & SUBS. COMPANIES	0	0	0	0	0	0	0	0	0	0
OTHER (NET)	0	1,807,422	207,354	1,368,853	0	0	1,544,613	2,819,854	3,712,564	7,207,239
TOTAL SOURCES OF FUNDS	$23,311,257	$12,191,715	$17,576,199	$18,622,275	$28,356,366	$17,721,867	$25,465,889	$17,982,068	$27,342,621	$38,321,288
APPLICATION OF FUNDS										
CONSTRUCTION & PLANT EXPENDITURES (INCL.LAND):										
GROSS ADD. TO UTIL. PLANT (LESS NUCLEAR FUEL)	$4,740,576	$5,067,629	$7,516,700	$10,565,464	$8,486,590	$7,321,213	$9,864,749	$6,070,063	$8,793,434	$11,681,422
GROSS ADDITIONS TO NUCLEAR FUEL	0	0	0	0	0	0	0	0	0	0
GROSS ADDITIONS TO COMMON UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
GROSS ADDITIONS TO NONUTILITY PLANT	0	0	670,697	2,396	0	0	0	0	0	1,006,672
OTHER	0	0	0	(367,278)	0	0	0	0	0	0
TOTAL APPLIC. TO CONST. & PLANT EXPEND.	4,740,576	5,067,629	8,187,397	10,200,582	8,486,590	7,321,213	9,864,749	6,070,063	8,793,434	12,688,094
DIVIDENDS ON PREFERRED STOCK	742,226	672,774	601,793	416,100	357,143	326,891	306,815	284,129	233,375	214,103
DIVIDENDS ON COMMON STOCK	2,159,559	2,283,653	2,089,090	2,606,924	3,363,673	3,770,885	3,857,336	4,026,474	4,737,353	4,968,501
FUNDS FOR RETIREMENT OF SEC. & SHORT TERM DEBT:										
LONG-TERM DEBT	2,883,000	3,715,500	3,800,650	5,144,760	14,816,808	4,958,912	8,236,386	6,629,558	7,535,473	18,933,403
PREFERRED STOCK	11,750	208,706	1,980,430	157,926	206,878	142,382	95,345	240,487	188,186	200,432
REDEMPTION OF CAPITAL STOCK	173,020	0	0	0	0	0	0	0	0	0
NET DECREASE IN SHORT-TERM DEBT	8,450,000	0	0	0	0	0	0	0	0	0
OTHER (NET)	509,996	0	0	0	0	0	0	0	0	0
PURCHASE OF OTHER NON-CURRENT ASSETS	0	0	314,500	0	0	0	0	243,746	590,036	0
INVEST. IN & ADVANCES TO ASSOC. & SUB. COM.	39,580	0	0	56,982	0	50,000	450,000	0	0	1,316,755
OTHER (NET)	3,601,550	243,453	602,339	39,001	1,125,274	1,151,584	2,655,258	487,611	5,264,764	0
TOTAL APPLICATION OF FUNDS	$23,311,257	$12,191,715	$17,576,199	$18,622,275	$28,356,366	$17,721,867	$25,465,889	$17,982,068	$27,342,621	$38,321,288

CASCADE: BTC
AUGUST 31, 1987

CASCADE NATURAL GAS CORPORATION ** TOTAL COMPANY OPERTIONS **
PLANT, PRODUCTION AND SALES STATISTICS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS PLANT IN SERVICE AND HELD FOR FUTURE USE -- END OF YEAR										
INTANGIBLE PLANT	$363,891	$363,891	$363,891	$363,891	$363,891	$363,891	$363,891	$363,891	$363,891	$363,891
PRODUCTION AND STORAGE PLANT	1,555,917	1,555,917	1,557,127	1,557,127	1,557,128	1,557,128	1,073,438	1,073,438	1,073,438	1,073,438
TRANSMISSION AND DISTRIBUTION PLANT	104,122,846	108,183,472	114,753,751	119,454,517	128,313,791	135,053,308	143,225,268	147,482,057	152,734,725	160,916,870
GENERAL PLANT	7,410,531	7,954,322	8,524,218	10,281,168	13,165,327	13,954,282	15,513,576	16,295,523	17,419,145	21,861,878
TOTAL GAS PLANT IN SERVICE	113,453,185	118,057,602	125,198,987	131,656,703	143,400,137	150,928,609	160,176,173	165,214,909	171,591,199	184,216,077
PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0	0	0
LESS: ACCUM.PROV. FOR DEPR.& AMORT.- GAS	29,212,800	.-32,564,256	36,187,595	40,070,491	43,661,003	48,222,519	52,678,647	58,000,541	63,017,031	69,398,429
NET GAS PLANT	$84,240,385	$85,493,346	$89,011,392	$91,586,212	$99,739,134	$102,706,090	$107,497,526	$107,214,368	$108,574,168	$114,817,648
CONSTRUCTION WORK IN PROGRESS	$644,319	$746,731	$830,393	$4,819,615	$910,563	$560,034	$706,630	$988,629	$2,316,028	$2,426,279
ANNUAL GAS PURCH., PROD. & DISBURSED(THERMS)										
GAS PRODUCED	0	1,676	0	0	0	0	0	0	0	0
GAS PURCHASED	518,731,864	425,827,140	469,871,616	392,795,278	39,237,148	345,414,480	344,335,132	440,732,471	439,966,180	371,194,136
TOTAL GAS PRODUCED & PURCHASED	518,731,864	425,828,816	469,871,616	392,795,278	39,237,148	345,414,480	344,335,132	440,732,471	439,966,180	371,194,136
GAS TRANSPORTED OR COMPRESSED FOR OTHERS	0	0	0	0	0	846,205	1,726,573	1,405,038	1,635,456	11,829,934
GAS USED BY COMPANY	237,074	193,953	200,835	169,875	14,205	188,379	216,715	208,663	219,216	186,079
GAS SOLD	516,112,170	425,824,444	469,394,538	393,494,114	38,499,296	343,398,647	342,681,863	442,765,881	435,792,530	369,556,673
GAS UNACCOUNTED FOR	3,013,245	2,208,908	276,243	(868,711)	4,208	981,249	1,209,825	476,212	3,954,434	1,451,384
GAS DELIVERED TO (FROM) STORAGE	(630,625)	(2,398,489)	0	0	719,439	0	(1,499,844)	(4,123,323)	0	0
UNACCOUNTED FOR TO TOTAL PRODUCED & PURCHASED	0.58	0.52	0.06	-0.22	0.01	0.28	0.35	0.11	0.90	0.39
% DEPR/AMORT EXP TO TOTAL GAS PLANT IN SERV.	3.16	3.15	3.09	3.08	3.12	3.12	3.08	3.14	3.14	3.10
% NET GAS UTILITY OPR. INC. TO NET GAS PLANT	8.51	8.14	10.98	10.61	10.42	9.71	10.98	14.5	13.87	8.15
TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	13,492,997	13,805,666	14,169,949	14,490,023	14,828,503	15,084,441	15,363,965	15,531,809	15,770,217	16,077,930
NO.OF METERS IN SERV.& HELD IN RESERVE (AVE.)	34,336	95,127	94,960	95,904	97,312	98,140	98,440	97,014	96,700	96,599
NUMBER OF CUSTOMERS - AVERAGE	78,065	78,083	78,592	79,866	80,559	80,470	80,127	80,765	82,570	84,511
AVERAGE B.T.U. CONTENT PER CU. FT.	1,046	1,046	1,044	1,050	1,055	1,050	1,042	1,041	1,033	1,026

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CASCADE NATURAL GAS CORPORATION ** WASHINGTON OPERATIONS ONLY **
PLANT, PRODUCTION AND SALES STATISTICS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS PLANT IN SERVICE AND HELD FOR FUTURE USE -- END OF YEAR										
INTANGIBLE PLANT	$138,158	$138,158	$138,158	$138,158	$138,158	$257,651	$257,864	$257,499	$257,210	$256,982
PRODUCTION AND STORAGE PLANT	0	0	0	0	0	1,323,403	903,620	891,061	892,885	876,892
TRANSMISSION AND DISTRIBUTION PLANT	80,236,665	83,141,906	88,247,785	90,961,308	98,093,569	109,173,174	116,547,628	119,518,493	123,198,641	128,463,007
GENERAL PLANT	4,480,007	4,872,977	5,156,883	5,347,118	8,096,050	10,734,206	11,558,127	11,983,755	12,906,129	16,500,330
TOTAL GAS PLANT IN SERVICE	84,854,830	88,153,041	93,542,826	96,446,584	106,327,777	121,488,434	129,267,239	132,650,808	137,254,865	146,097,211
PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0	0	0
LESS: ACCUM.PROV. FOR DEPR.& AMORT.- GAS	21,639,083	24,055,398	26,604,096	29,304,424	32,301,885	39,133,186	42,733,830	46,841,794	50,947,014	55,975,617
NET GAS PLANT	$63,215,747	$64,097,643	$66,938,730	$67,142,160	$74,025,892	$82,355,248	$86,533,409	$85,809,014	$86,307,851	$90,121,594
CONSTRUCTION WORK IN PROGRESS	$350,274	$629,090	$611,180	$3,952,485	$689,986	$326,529	$427,151	$617,628	$978,994	$1,776,144
ANNUAL GAS PURCH., PROD. & DISBURSED(THERMS)										
GAS PRODUCED	0	1,436	0	0	0	0	0	0	0	0
GAS PURCHASED	458,110,067	368,470,809	414,986,721	343,875,990	34,533,651	298,177,816	298,608,545	383,431,557	383,961,745	330,062,684
TOTAL GAS PRODUCED & PURCHASED	458,110,067	368,472,245	414,986,721	343,875,990	34,533,651	298,177,816	298,608,545	383,431,557	383,961,745	330,062,684
GAS TRANSPORTED OR COMPRESSED FOR OTHERS	0	0	0	0	0	846,205	1,726,573	1,405,038	1,434,456	7,866,934
GAS USED BY COMPANY	191,219	152,335	156,872	136,063	11,101	151,629	178,964	165,495	182,625	154,770
GAS SOLD	453,960,240	366,530,270	413,044,091	342,456,213	33,716,736	294,411,051	295,620,381	383,929,686	379,551,562	327,949,074
GAS UNACCOUNTED FOR	4,430,794	3,570,035	1,785,758	1,283,714	181,645	2,768,931	2,382,397	1,447,675	4,227,558	1,958,840
GAS DELIVERED TO (FROM) STORAGE	(472,186)	(1,780,395)	0	0	624,169	0	(1,299,770)	(3,516,337)	0	0
UNACCOUNTED FOR TO TOTAL PRODUCED & PURCHASED	0.97	0.97	0.43	0.37	0.53	0.93	0.80	0.38	1.10	0.59
% DEPR/AMORT EXP TO TOTAL GAS PLANT IN SERV.	3.43	3.44	3.36	3.40	3.37	3.12	3.05	3.12	3.12	3.07
% NET GAS UTILITY OPR. INC. TO NET GAS PLANT	9.68	8.82	12.96	12.21	11.55	9.45	9.04	14.61	14.03	8.40
TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	10,729,391	10,959,357	11,272,087	11,498,329	11,751,893	11,959,200	12,117,730	12,196,276	12,350,835	12,526,951
NO.OF METERS IN SERV.& HELD IN RESERVE (AVE.)	74,435	75,052	74,721	75,661	76,764	77,413	77,649	76,400	76,022	75,942
NUMBER OF CUSTOMERS - AVERAGE	60,982	61,103	61,500	62,567	63,169	63,201	62,955	63,343	64,594	66,220
AVERAGE B.T.U. CONTENT PER CU. FT.	1,046	1,046	1,044	1,050	1,055	1,050	1,042	1,041	1,033	1,026

CASCADE: 9TC
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CASCADE NATURAL GAS CORPORATION ** TOTAL COMPANY OPERATIONS **
SALES SATISTICS FOR GAS OPERATIONS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS SERVICE REVENUES										
RESIDENTIAL SALES	$20,075,944	$21,667,229	$23,918,185	$28,274,539	$27,599,797	$33,440,786	$29,845,133	$33,897,329	$35,810,311	$27,888,747
COMMERCIAL SALES	26,342,051	29,349,982	34,877,327	43,892,020	45,304,631	55,641,500	53,300,942	57,195,130	59,722,595	44,479,150
INDUSTRIAL SALES	75,026,283	64,822,757	91,402,738	103,653,574	118,049,239	103,686,745	103,696,078	141,966,485	122,566,421	71,902,314
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL GAS SERVICE REVENUES	$121,444,278	$115,839,968	$150,198,250	$175,820,133	$190,953,667	$192,769,031	$186,842,153	$233,058,944	$218,099,327	$144,270,211
THERMS OF GAS SOLD										
RESIDENTIAL SALES	62,406,953	62,317,268	58,945,987	53,929,047	48,081,565	51,311,078	45,491,544	51,108,230	55,539,860	48,575,761
COMMERCIAL SALES	97,596,903	98,628,779	99,090,947	93,286,541	88,862,261	95,007,828	87,550,497	94,898,260	103,122,897	88,477,387
INDUSTRIAL SALES	356,108,314	264,878,397	311,357,604	246,278,526	269,166,765	197,079,741	209,639,781	296,759,391	277,129,773	232,503,525
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL THERMS OF GAS SOLD	516,112,170	425,824,444	469,394,538	393,494,114	406,110,591	343,398,647	342,681,822	442,765,881	435,792,530	369,556,673
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH										
RESIDENTIAL SALES	64,673	64,387	64,521	65,430	65,875	65,695	65,285	66,185	66,903	68,353
COMMERCIAL SALES	13,123	13,418	13,774	14,118	14,357	14,446	14,509	14,889	15,318	15,803
INDUSTRIAL SALES	269	278	297	318	327	329	333	329	349	355
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL GAS CUSTOMERS	78,065	78,083	78,592	79,866	80,559	80,470	80,127	81,403	82,570	84,511
AVE. GAS SERVICE REVENUE/THERM SOLD (CENTS)										
RESIDENTIAL SALES	32.17	34.77	40.58	52.43	57.40	65.17	65.61	66.32	64.48	57.41
COMMERCIAL SALES	26.99	29.76	35.20	47.05	50.98	58.57	60.88	60.27	57.91	50.27
INDUSTRIAL SALES	21.07	24.47	29.36	42.09	43.86	52.61	49.46	47.84	44.23	30.93
SALES FOR RESALE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	23.53	27.20	32.00	44.68	47.02	56.14	54.52	52.64	50.05	39.04
AVERAGE GAS SERVICE REVENUE PER CUSTOMER										
RESIDENTIAL SALES	$310	$337	$371	$432	$419	$509	$457	$512	$535	$408
COMMERCIAL SALES	2,007	2,187	2,532	3,109	3,156	3,852	3,674	3,841	3,899	2,815
INDUSTRIAL SALES	278,908	233,175	307,753	325,955	361,007	315,157	311,400	431,509	351,193	202,542
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	1,556	1,484	1,911	2,201	2,370	2,396	2,332	2,863	2,641	1,707
AVERAGE THERMS OF GAS SOLD PER CUSTOMER										
RESIDENTIAL SALES	965	968	914	824	730	781	697	772	830	711
COMMERCIAL SALES	7,437	7,350	7,194	6,608	6,189	6,577	6,034	6,374	6,732	5,599
INDUSTRIAL SALES	1,323,823	952,800	1,048,342	774,461	823,140	599,027	629,549	902,004	794,068	654,940
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	6,611	5,453	5,973	4,927	5,041	4,267	4,277	5,439	5,278	4,373

NOTE: One therm is equal to 100,000 B.T.U.

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CASCADE NATURAL GAS CORPORATION ** WASHINGTON OPERATIONS ONLY **
SALES STATISTICS FOR GAS OPERATIONS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS SERVICE REVENUES										
RESIDENTIAL SALES	$15,727,628	$16,955,996	$18,799,986	$22,231,162	$21,670,846	$26,276,049	$23,487,301	$26,525,224	$28,091,779	$21,928,137
COMMERCIAL SALES	21,216,448	23,557,919	28,130,863	35,338,305	36,527,850	44,817,610	41,773,891	46,572,814	48,407,991	36,324,915
INDUSTRIAL SALES	68,712,865	58,271,255	84,443,194	94,742,440	107,356,886	92,797,459	92,513,743	126,153,649	109,555,626	64,652,047
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL GAS SERVICE REVENUES	$105,656,941	$98,785,170	$131,374,043	$152,311,907	$165,555,582	$163,891,118	$157,774,935	$199,251,687	$186,055,396	$122,905,099
THERMS OF GAS SOLD										
RESIDENTIAL SALES	48,545,289	48,808,701	46,209,841	42,629,305	38,142,938	40,738,961	36,194,110	40,460,489	44,231,088	38,938,818
COMMERCIAL SALES	78,395,127	78,915,458	79,159,800	74,606,224	71,593,737	76,579,177	71,357,004	77,210,396	83,949,077	72,620,772
INDUSTRIAL SALES	327,019,824	238,806,111	287,674,450	225,220,684	245,924,983	177,092,912	188,069,267	266,258,801	251,371,397	216,389,484
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL THERMS OF GAS SOLD	453,960,240	366,530,270	413,044,091	342,456,213	355,661,658	294,411,050	295,620,381	383,929,686	379,551,562	327,949,074
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH										
RESIDENTIAL SALES	50,509	50,406	50,590	51,425	51,864	51,819	51,519	52,065	52,616	53,867
COMMERCIAL SALES	10,249	10,466	10,665	10,876	11,032	11,110	11,165	11,402	11,701	12,076
INDUSTRIAL SALES	224	231	245	266	273	272	271	263	277	277
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL GAS CUSTOMERS	60,982	61,103	61,500	62,567	63,169	63,201	62,955	63,730	64,594	66,220
AVE. GAS SERVICE REVENUE/THERM SOLD (CENTS)										
RESIDENTIAL SALES	32.40	34.74	40.68	52.15	56.81	64.50	64.89	65.56	63.51	56.31
COMMERCIAL SALES	27.06	29.85	35.54	47.37	51.02	58.52	58.54	60.32	57.66	50.02
INDUSTRIAL SALES	21.01	24.40	29.35	42.07	43.65	52.40	49.19	47.38	43.58	29.88
SALES FOR RESALE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	23.27	26.95	31.81	44.48	46.55	55.67	53.37	51.90	49.02	37.48
AVERAGE GAS SERVICE REVENUE PER CUSTOMER										
RESIDENTIAL SALES	$311	$336	$372	$432	$418	$507	$456	$509	$534	$407
COMMERCIAL SALES	2,070	2,251	2,638	3,249	3,311	4,034	3,742	4,085	4,137	3,008
INDUSTRIAL SALES	306,754	252,257	344,666	356,175	393,249	341,167	341,379	479,672	395,508	233,401
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	$1,733	$1,617	$2,136	$2,434	$2,621	$2,593	$2,506	$3,126	$2,880	1,856
AVERAGE THERMS OF GAS SOLD PER CUSTOMER										
RESIDENTIAL SALES	961	968	913	829	735	786	703	777	841	723
COMMERCIAL SALES	7,649	7,540	7,422	6,860	6,490	6,893	6,391	6,772	7,175	6,014
INDUSTRIAL SALES	1,459,910	1,033,793	1,174,181	846,694	900,824	651,077	693,983	1,012,391	907,478	781,189
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	7,444	5,999	6,716	5,473	5,630	4,658	4,696	6,024	5,876	4,952

NOTE: One therm is equal to 100,000 B.T.U.

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NORTHWEST NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
BALANCE SHEET -- ASSETS AND OTHER DEBITS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
UTILITY PLANT										
UTILITY PLANT	$254,534,932	$271,550,402	$296,608,385	$324,677,571	$353,657,520	$377,214,126	$394,961,276	$427,264,735	$444,954,422	$474,748,516
CONSTRUCTION WORK IN PROGRESS	665,394	157,022	346,062	0	0	0	0	0	529,121	580,218
TOTAL UTILITY PLANT	255,200,326	271,707,424	296,954,447	324,677,571	353,657,520	377,214,126	394,961,276	427,264,735	445,483,543	475,328,734
LESS ACCUM. PROV. FOR DEPR.AMORT. & DEPL.	41,466,043	47,799,893	54,324,003	61,931,672	69,906,457	78,496,241	87,696,229	99,374,206	106,948,683	119,625,615
NET UTILITY PLANT	213,734,283	223,907,531	242,630,444	262,745,899	283,751,063	298,717,885	307,265,047	327,890,529	338,534,860	355,703,119
GAS STORED UNDERGROUND - NONCURRENT	0	0	0	0	0	0	0	0	0	0
UTILITY PLANT ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0
OTHER PROPERTY AND INVESTMENTS										
NONUTIL. PROP.(LESS ACCUM. DEPR.& AMORT.)	173,666	0	0	2,734,899	2,998,727	2,895,016	2,870,170	2,790,710	2,679,002	2,498,069
INVESTMENT IN ASSOCIATED COMPANIES	0	0	0	0	0	0	0	0	0	0
INVESTMENT IN SUBSIDIARY COMPANIES	0	(102,405)	(423,992)	652,128	3,121,024	3,754,342	4,785,882	2,187,369	10,407,394	12,360,022
OTHER INVESTMENTS	78,211	36,978	23,022	9,075	12,575	16,321	41,218	66,109	66,395	64,558
SPECIAL FUNDS	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER PROPERTY AND INVESTMENTS	251,877	(65,427)	(400,970)	3,396,102	6,132,326	6,665,679	7,697,270	5,044,188	13,152,791	14,922,649
CURRENT AND ACCRUED ASSETS										
CASH	1,003,444	786,171	1,920,136	627,155	500,310	64,323	48,983	1,513,148	3,486,352	276,831
SPECIAL DEPOSITS	535	535	535	535	535	535	535	535	5,535	5,000
WORKING FUNDS	41,217	37,537	40,283	36,358	39,661	38,598	24,240	40,701	31,291	36,703
TEMPORARY CASH INVESTMENTS	0	0	0	0	0	9,785,189	6,598,407	6,035,016	0	2,000,000
NOTES & ACCTS. REC.(LESS PROV. FOR UNCOLL. ACCTS.)	24,424,339	26,936,870	38,372,869	37,186,789	35,378,599	37,423,655	40,893,767	43,158,428	48,406,469	29,601,515
RECEIVABLES FROM ASSOC. COMPANIES	0	130,390	773,327	256,502	126,239	465,422	(1,504,348)	298,048	(276,083)	3,510,457
MATERIALS AND SUPPLIES	1,972,607	2,275,448	3,245,745	4,067,147	4,305,623	3,703,383	3,387,414	3,048,337	3,284,786	3,169,851
GAS STORED UNDERGROUND - CURRENT	0	0	0	0	0	0	2,308,499	2,424,956	1,735,908	1,719,730
LIQUEFIED NATURAL GAS STORED	1,962,901	3,752,705	4,512,878	5,245,929	5,739,443	6,602,475	7,419,838	7,536,988	7,452,973	5,553,006
PREPAYMENTS	2,541,064	152,571	413,682	1,551,541	583,842	2,250,848	2,475,747	2,865,213	3,233,126	4,251,880
ADVANCES FOR GAS EXPLORATION, DEV. & PRODUCTION	0	0	0	0	0	0	0	0	0	0
OTHER ADVANCES FOR GAS	0	0	0	0	0	0	0	0	0	0
INTEREST AND DIVIDENDS RECEIVABLE	624	0	0	0	0	345,804	2,992	0	352	944
RENTS RECEIVABLE	0	0	0	0	0	0	0	0	0	44,364
ACCRUED UTILITY REVENUES	0	0	0	0	0	0	0	0	0	0
MISC. CURRENT AND ACCRUED ASSETS	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT AND ACCRUED ASSETS	31,946,731	34,072,227	49,279,455	48,971,956	46,674,252	60,680,232	61,656,074	66,921,370	67,360,709	50,170,281
DEFERRED DEBITS										
UNAMORTIZED DEBT EXPENSE	1,012,892	887,145	763,316	646,598	696,756	1,694,179	1,465,788	1,251,142	1,530,039	3,403,553
EXTRAORDINARY PROPERTY LOSSES	1,829,952	1,041,685	578,713	115,741	0	0	0	0	247,916	148,748
PRELIM. SURVEY & INVESTIGATION CHARGES	0	0	0	0	0	0	0	0	0	0
CLEARING ACCOUNTS	5,883	(48,276)	(8,740)	(90,248)	(45,996)	(33,131)	0	0	0	0
TEMPORARY FACILITIES	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS DEFERRED DEBITS	4,489,625	6,493,841	7,761,057	10,218,531	14,464,148	20,736,212	28,402,485	18,832,952	18,219,033	23,284,186
DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
RESEARCH, DEVELOPMENT & DEMO. EXPENDITURES	0	0	0	0	0	0	0	0	0	0
UNAMORTIZED LOSS ON REACQUIRED DEBT	0	0	0	0	0	0	0	0	0	0
ACCUMULATED DEFERRED INCOME TAXES	0	0	0	0	0	0	0	0	0	0
UNRECOVERED PURCHASED GAS COSTS	0	0	(346,358)	(1,205,235)	(339,807)	(14,152)	(2,391,336)	(702,799)	(2,813,151)	(3,496,166)
TOTAL DEFERRED DEBITS	7,338,352	8,374,395	8,747,988	9,685,387	14,775,101	22,383,108	27,476,937	19,381,295	17,183,837	23,340,321
TOTAL ASSETS AND OTHER DEBITS	$253,271,243	$266,288,726	$300,256,917	$324,799,344	$351,332,742	$388,446,904	$404,095,328	$419,237,382	$436,232,197	$444,136,370

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NORTHWEST NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
AUGUST 31, 1987
BALANCE SHEET -- LIABILITIES AND OTHER CREDITS

PROPRIETARY CAPITAL	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
COMMON STOCK ISSUED	$21,579,711	$21,925,188	$24,650,444	$25,066,992	$25,714,572	$26,792,626	$27,912,718	$29,429,884	$31,216,114	$32,284,308
PREFERRED STOCK ISSUED	19,138,500	28,358,500	27,578,500	42,798,500	41,931,000	40,854,975	39,393,725	34,920,725	28,478,875	25,027,450
CAPITAL STOCK SUBSCRIBED	0	0	0	0	0	0	0	0	0	0
STOCK LIABILITY FOR CONVERSION	0	0	0	0	0	0	0	0	0	0
PREMIUM ON CAPITAL STOCK	22,543,229	24,315,993	33,813,242	35,082,330	36,690,875	39,421,259	42,548,927	47,911,534	55,172,898	60,253,492
OTHER PAID-IN CAPITAL	446,512	489,766	543,501	639,409	765,748	924,446	1,121,806	1,327,823	1,473,114	1,583,440
INSTALLMENTS RECEIVED ON CAPITAL STOCK	482	7,545	2,925	2,974	10,808	10,536	2,144	4,767	4,315	10,174
DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0	0	0
CAPITAL STOCK EXPENSE	(64,983)	0	0	0	0	0	0	0	0	0
RETAINED EARNINGS	32,630,258	36,200,753	42,369,668	43,866,029	45,754,027	48,815,553	50,805,906	57,574,438	63,124,426	66,841,241
UNAPP. UNDISTRIBUTED SUBSIDIARY EARNINGS	0	0	0	316,136	1,871,147	2,469,657	3,107,913	497,028	1,060,730	(525,383)
REACQUIRED CAPITAL STOCK	0	0	0	0	0	0	0	0	0	0
TOTAL PROPRIETARY CAPITAL	96,273,709	111,297,745	128,958,280	147,772,370	152,738,177	159,289,052	164,893,139	171,666,199	180,530,472	185,474,722
LONG TERM DEBT										
BONDS	94,739,000	92,662,000	87,233,000	81,790,000	106,346,000	100,516,000	94,555,000	82,180,000	91,858,000	107,795,000
ADVANCES FROM ASSOCIATED COMPANIES	0	0	0	0	0	0	0	0	0	0
OTHER LONG-TERM DEBT	9,184,000	8,437,000	13,690,000	16,943,000	6,196,000	43,929,000	43,462,000	42,995,000	40,000,000	40,000,000
UNAMORTIZED PREMIUM ON LONG-TERM DEBT	0	0	0	0	0	0	0	0	0	0
UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	0	0	0	0	0	0	0	0	0	0
TOTAL LONG-TERM DEBT	103,923,000	101,099,000	100,923,000	98,733,000	112,542,000	144,445,000	138,017,000	125,175,000	131,858,000	147,795,000
CURRENT AND ACCRUED LIABILITIES										
NOTES PAYABLE	16,300,000	11,000,000	12,700,000	18,500,000	20,525,000	9,700,000	9,000,000	29,500,000	36,000,000	26,550,000
ACCOUNTS PAYABLE	20,437,786	24,435,105	36,003,212	33,465,948	34,634,043	34,365,267	43,282,226	42,686,653	40,241,298	27,110,426
PAYABLES TO ASSOCIATED COMPANIES	0	0	0	470,713	470,713	470,713	0	(3,328)	0	0
CUSTOMER DEPOSITS	533,300	534,725	542,750	522,799	522,280	525,985	699,754	882,923	1,053,772	1,132,242
TAXES ACCRUED	4,166,683	4,228,090	5,151,254	2,999,554	2,482,331	3,076,260	3,290,388	4,085,868	1,449,272	4,108,245
INTEREST ACCRUED	2,414,431	2,350,155	2,356,489	2,331,839	4,288,056	8,177,651	8,089,809	7,872,916	7,167,092	7,201,557
DIVIDENDS DECLARED	0	0	0	0	0	0	0	0	0	0
MATURED LONG TERM DEBT	0	0	0	0	0	0	0	0	0	0
MATURED INTEREST	0	0	0	0	0	0	0	0	0	0
TAX COLLECTIONS PAYABLE	97,324	116,584	126,728	140,540	159,236	(198)	(538)	(35)	404,558	449,365
MISC. CURRENT & ACCRUED LIABILITIES	224,565	247,949	283,009	220,846	261,498	325,291	364,229	413,442	449,208	669,431
OBLIGATIONS UNDER CAPITAL LEASES--CURRENT	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT AND ACCRUED LIABILITIES	44,174,089	42,912,608	57,163,442	58,652,239	63,343,159	56,640,969	64,725,868	85,438,439	86,765,200	67,221,266
DEFERRED CREDITS										
CUSTOMER ADVANCES FOR CONSTRUCTION	52,466	31,665	27,608	2,583,877	2,573,946	2,552,790	2,558,349	2,557,356	20,533	33,490
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	5,815,840	7,077,437	9,065,098	11,339,449	13,823,399	15,494,729	17,059,191	19,285,614	20,572,034	19,884,796
DEFERRED GAINS FROM DISP.OF UTILITY PLANT	0	0	0	0	276,203	276,203	522,462	276,203	276,203	276,203
OTHER DEFERRED CREDITS	14,045	0	0	1,068,979	0	0	0	0	0	0
UNAMORTIZED GAIN ON REACQUIRED DEBT	0	0	0	0	0	0	0	0	0	0
ACCUMULATED DEFERRED INCOME TAXES	2,812,128	3,629,097	3,754,002	4,261,013	5,630,411	9,574,521	11,787,988	10,783,041	12,558,721	20,425,725
TOTAL DEFERRED CREDITS	8,694,479	10,738,199	12,846,708	19,253,318	22,303,959	27,898,243	31,927,990	32,902,214	33,427,491	40,620,214
OTHER NONCURRENT LIABILITIES										
OBLIGATIONS UNDER CAPITAL LEASES--NONCURRENT	0	0	0	0	0	0	0	0	0	0
ACCUMULATED OPERATING RESERVES	205,966	241,174	365,487	388,417	405,447	173,640	4,531,331	4,055,530	3,651,034	3,025,168
ACCUMULATED PROVISIONS FOR RATE REFUNDS	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER NONCURRENT LIABILITIES	205,966	241,174	365,487	388,417	405,447	173,640	4,531,331	4,055,530	3,651,034	3,025,168
TOTAL LIABILITIES AND OTHER CREDITS	$253,271,243	$266,288,726	$300,256,917	$324,799,344	$351,532,742	$388,446,904	$404,095,328	$419,237,382	$436,232,197	$444,136,370

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NORTHWEST NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF INCOME

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
UTILITY OPERATING INCOME										
OPERATING REVENUES	$218,598,584	$235,716,662	$298,110,070	$335,610,182	$359,370,154	$375,740,279	$364,193,781	$417,503,753	$412,157,593	$314,852,407
OPERATING EXPENSES:										
OPERATION EXPENSES	172,413,490	184,133,077	238,233,101	279,215,122	296,430,400	305,042,749	287,716,235	326,163,309	315,251,584	218,400,601
MAINTENANCE EXPENSES	2,626,713	2,881,297	3,841,985	4,287,539	5,184,882	4,835,341	5,023,243	4,835,570	4,276,948	6,625,780
DEPRECIATION EXPENSE	7,697,707	8,712,173	9,234,885	10,080,941	10,936,787	11,812,703	13,575,707	14,858,453	16,055,096	17,117,005
AMORT. & DEPL. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
AMORT. OF UTILITY PLANT ACQ. ADJ.	462,972	462,972	462,972	462,972	115,741	0	0	0	0	0
AMORT. OF PROPERTY LOSSES	752,400	325,295	0	0	0	0	0	0	44,634	99,168
AMORT. OF CONVERSION EXPENSES	0	0	0	0	0	0	0	0	0	0
TAXES OTHER THAN INCOME TAXES	8,714,139	9,363,566	10,507,206	11,857,088	12,786,794	13,846,350	14,763,680	17,000,572	18,208,177	16,811,232
INCOME TAXES - FEDERAL	3,883,629	5,102,428	6,420,164	2,694,573	1,824,921	1,857,162	5,275,455	12,500,284	11,217,166	9,532,038
- OTHER	1,099,698	1,176,419	1,591,412	1,022,502	966,809	804,026	1,499,628	2,814,959	2,548,741	1,545,829
PROVISION FOR DEFERRED INCOME TAXES	2,857,272	3,209,263	3,999,452	4,898,618	3,358,190	3,890,550	2,254,852	(1,126,312)	2,700,286	5,011,857
PROVISION FOR DEFERRED INCOME TAXES - CR.	(3,681,860)	(2,392,294)	(3,874,547)	(4,391,607)	(2,084,327)	0	0	0	0	2,299,232
INVESTMENT TAX CREDIT ADJ. - NET	2,235,751	1,408,579	2,216,993	2,539,810	2,923,662	2,006,122	1,725,745	2,395,309	2,228,257	(489,151)
GAINS FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
LOSSES FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
TOTAL UTILITY OPERATING EXPENSES	199,061,911	214,382,775	272,633,623	312,667,558	332,443,859	344,095,003	331,834,045	379,442,144	372,530,889	276,953,591
NET UTILITY OPERATING INCOME	19,536,673	21,333,887	25,476,447	22,942,624	26,926,295	31,645,276	32,359,736	38,061,609	39,626,704	37,898,816
OTHER INCOME AND DEDUCTIONS										
OTHER INCOME:										
NONUTILITY OPERATING INCOME	(65,618)	(118,675)	(81,597)	(33,976)	270,436	199,116	43,375	(164,756)	(250,818)	(403,050)
EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	0	(103,405)	(331,586)	751,128	1,555,011	598,510	638,256	(2,610,885)	(115,314)	(1,586,113)
INTEREST & DIVIDEND INCOME	97,393	209,555	105,536	387,445	1,169,502	1,604,677	1,742,616	1,123,820	903,032	1,040,967
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS NONOPERATING INCOME	106,112	313,545	174,518	232,266	339,537	417,947	369,747	156,697	53,395	11,675
GAIN ON DISPOSITION OF PROPERTY	62,128	228,563	0	0	0	0	654,326	246,259	0	0
TOTAL OTHER INCOME	200,015	529,583	(133,129)	1,336,863	3,334,486	2,820,250	3,448,320	(1,248,865)	590,295	(936,521)
OTHER INCOME DEDUCTIONS:										
LOSS ON DISPOSITION OF PROPERTY	0	0	31,959	0	0	0	325,182	0	30,349	30,349
MISCELLANEOUS AMORTIZATION	0	0	0	0	0	0	0	31,082	433,796	0
MISCELLANEOUS INCOME DEDUCTIONS	416,876	262,077	267,437	286,469	331,816	326,181	418,588	1,071,750	778,476	685,366
TOTAL OTHER INCOME DEDUCTIONS	416,876	262,077	299,396	286,469	331,816	326,181	743,770	1,102,832	1,242,621	715,715
TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS:										
TAXES OTHER THAN INCOME TAXES	0	0	0	4,826	0	0	0	0	0	0
INCOME TAXES - FEDERAL	(181,533)	(167,394)	(148,902)	(136,239)	(450,017)	(92,050)	122,890	(495,054)	(504,617)	(863,275)
- OTHER	(27,277)	(26,754)	(24,833)	(22,623)	(17,359)	(17,772)	49,201	(64,583)	(75,689)	(139,977)
PROVISION FOR DEFERRED INCOME TAXES	0	0	0	0	95,535	53,560	106,125	60,365	70,273	257,267
PROVISION FOR DEFERRED INCOME TAXES - CR.	0	0	0	0	0	0	0	0	0	0
INVESTMENT TAX CREDIT ADJ. - NET	0	0	0	0	31,377	(1,031)	348	(2,310)	(250)	0
INVESTMENT TAX CREDITS	0	0	0	0	0	0	0	0	0	0
TOTAL TAXES ON OTHER INCOME & DEDUCTIONS	(208,810)	(194,148)	(173,735)	(154,036)	(340,464)	(57,293)	278,564	(501,582)	(510,283)	(745,985)
NET OTHER INCOME & DEDUCTIONS	($8,051)	$461,654	($258,790)	$1,204,430	$3,343,134	$2,551,362	$2,425,986	($1,850,115)	($142,043)	($906,251)

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NORTHWEST NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF INCOME (CONTINUED)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
INTEREST CHARGES										
INTEREST ON LONG-TERM DEBT	$9,144,206	$9,015,355	$8,968,629	$8,956,385	$10,734,270	$15,169,029	$16,904,020	$15,406,315	$15,134,970	$15,850,936
AMORT. OF DEBT DISC. AND EXPENSE	127,186	125,746	123,829	116,719	120,177	192,691	235,481	225,662	229,104	277,168
AMORT. OF LOSS IN REACQUIRED DEBT	0	0	0	0	0	0	0	0	0	0
AMORT. OF PREMIUM ON DEBT-CREDIT	0	0	0	0	0	0	0	0	0	0
AMORT. OF GAIN ON REACQUIRED DEBT-CREDIT	0	0	0	0	0	0	0	0	0	0
INTEREST ON DEBT TO ASSOC. COMPANIES	0	0	0	0	143,401	35,589	81,553	219,768	146,281	167,213
OTHER INTEREST EXPENSE	212,297	260,888	672,079	1,359,741	2,386,978	1,107,389	405,821	638,286	1,304,576	1,077,567
ALLOW. FOR BORROWED FUNDS USED DURING CONSTN.	0	0	0	0	0	0	(47,802)	(35,738)	(36,649)	(9,338)
NET INTEREST CHARGES	9,483,689	9,401,989	9,764,537	10,432,845	13,384,826	16,504,698	17,579,073	16,454,293	16,778,282	17,363,546
INCOME BEFORE EXTRAORDINARY ITEMS	10,044,933	12,393,552	15,453,120	13,714,209	16,884,603	17,691,940	17,206,649	19,757,201	22,706,379	19,629,019
EXTRAORDINARY ITEMS										
NET EXTRAORDINARY ITEMS	0	0	0	0	0	0	0	0	0	0
LESS: INCOME TAXES - FEDERAL AND OTHER	0	0	0	0	0	0	0	0	0	0
EXTRAORDINARY ITEMS AFTER TAXES	0	0	0	0	0	0	0	0	0	0
NET INCOME	$10,044,933	$12,393,552	$15,453,120	$13,714,209	$16,884,603	$17,691,940	$17,206,649	$19,757,201	$22,706,379	$19,629,019

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NORTHWEST NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF UNAPPROPRIATED RETAINED EARNINGS, AND UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
STATEMENT OF UNAPPROPRIATED RET. EARNINGS										
BALANCE AT BEGINNING OF YEAR	$29,360,509	$32,630,258	$36,200,753	$42,369,668	$43,866,029	$45,754,027	$48,815,553	$50,805,906	$57,574,438	$63,124,426
CREDITS:										
BALANCE TRANSFERRED FROM INCOME	10,044,933	12,393,552	15,453,120	12,963,081	15,329,592	17,093,430	16,568,393	22,368,086	22,821,693	21,215,132
MISCELLANEOUS CREDITS	0	0	0	434,992	0	0	0	0	0	0
TOTAL CREDITS	10,044,933	12,393,552	15,453,120	13,398,073	15,329,592	17,093,430	16,568,393	22,368,086	22,821,693	21,215,132
DEBITS:										
APPROPRIATIONS OF RETAINED EARNINGS	0	0	0	0	0	0	0	0	0	0
DIVIDENDS DECLARED - COMMON STOCK	5,543,708	6,304,260	7,126,670	8,617,490	9,910,584	10,565,313	11,179,716	12,386,478	13,926,992	15,329,693
DIVIDENDS DECLARED - PREFERRED STOCK	1,231,476	1,963,264	2,103,054	2,553,082	3,526,638	3,448,501	3,385,259	3,203,961	2,654,870	2,154,102
MISCELLANEOUS DEBITS	0	555,533	54,481	731,140	4,372	18,090	13,065	9,115	689,843	14,522
TOTAL DEBITS	6,775,184	8,823,057	9,284,205	11,901,712	13,441,594	14,031,904	14,578,040	15,599,554	17,271,705	17,498,317
BALANCE AT END OF YEAR	$32,630,258	$36,200,753	$42,369,668	$43,866,029	$45,754,027	$48,815,553	$50,805,906	$57,574,438	$63,124,426	$66,841,241
UNAPPROPRIATED UNDISTRIBUTED SUBS. EARNINGS										
BALANCE AT BEGINNING OF YEAR	$0	$0	$0	$0	$316,136	$1,871,147	$2,469,657	$3,107,913	$497,028	$1,060,730
EQUITY IN EARNINGS FOR YEAR	0	0	0	751,128	1,555,011	598,510	638,256	(2,610,885)	(115,314)	(1,586,113)
DIVIDENDS RECEIVED	0	0	0	0	0	0	0	0	0	0
OTHER CHANGES	0	0	0	(434,992)	0	0	0	0	679,016	0
BALANCE AT END OF YEAR	$0	$0	$0	$316,136	$1,871,147	$2,469,657	$3,107,913	$497,028	$1,060,730	($525,383)

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NORTHWEST NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF NET GAS OPERATING INCOME

STATEMENT OF NET GAS OPERATING INCOME	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES										
RESIDENTIAL SALES	$58,212,707	$64,191,766	$74,443,047	$88,119,934	$88,995,440	$111,148,702	$104,580,654	$122,178,763	$130,897,268	$111,992,501
COMMERCIAL SALES	32,142,537	37,096,861	47,306,218	59,853,781	63,276,664	80,483,030	77,517,869	90,794,127	98,170,761	79,099,399
INDUSTRIAL SALES	121,806,506	131,476,296	173,105,641	183,006,149	205,898,866	175,912,003	178,475,974	203,776,746	178,162,803	104,632,831
OTHER SALES	4,968,774	0	0	0	0	0	0	0	0	5,830,312
OTHER GAS REVENUES	1,468,060	2,951,739	3,255,164	4,630,318	1,199,184	8,196,544	3,619,284	754,117	4,926,761	13,297,364
TOTAL OPERATING REVENUES	218,598,584	235,716,662	298,110,070	335,610,182	359,370,154	375,740,279	364,193,781	417,503,753	412,157,593	314,852,407
OPERATING EXPENSES										
PRODUCTION:										
MANUFACTURED GAS	43,118	37,989	54,060	62,812	58,150	63,411	58,797	62,694	55,935	61,957
NATURAL GAS	156,989,422	167,329,832	216,941,493	254,079,845	268,218,321	272,163,938	251,371,488	287,512,144	272,388,080	179,918,071
UNDERGROUND STORAGE	0	0	0	0	0	0	0	0	0	0
OTHER STORAGE	433,708	297,793	558,589	674,987	685,766	673,581	833,408	803,166	756,316	782,762
TRANSMISSION	56,112	72,174	55,023	45,819	60,504	71,410	83,199	61,698	60,033	66,797
DISTRIBUTION	6,877,414	7,335,826	8,776,015	9,503,792	11,055,979	11,561,575	12,331,383	12,927,050	13,255,724	12,312,493
CUSTOMER ACCOUNTS	4,851,813	5,150,238	6,261,045	7,221,191	8,523,649	10,224,127	10,144,327	10,667,102	12,083,665	6,985,456
CUSTOMER SERVICE & INFORMATIONAL EXPENSES	0	0	0	1,073,697	1,359,516	2,505,483	4,563,098	3,227,890	3,413,734	2,992,282
SALES	686,248	945,745	1,183,000	1,398,296	1,567,881	1,779,942	1,890,218	2,215,595	2,628,241	4,025,669
ADMINISTRATIVE AND GENERAL	5,102,368	5,632,479	7,449,982	8,765,410	10,085,516	10,834,623	11,463,559	13,521,540	14,886,804	17,880,894
WEATHERIZATION	0	212,298	795,879	676,812	0	0	0	0	0	0
TOTAL OPERATION AND MAINT. EXPENSES	175,040,203	187,014,374	242,075,086	283,502,661	301,615,282	309,878,090	292,739,477	330,998,879	319,528,532	225,026,381
DEPRECIATION	7,697,707	8,712,173	9,234,885	10,080,941	10,936,787	11,812,703	13,575,707	14,858,453	16,055,096	17,117,005
AMORTIZATION	1,215,372	788,267	462,972	462,972	115,741	0	0	0	44,634	99,168
TAXES OTHER THAN INCOME TAXES	9,734,474	10,676,287	12,138,997	12,958,242	13,934,652	15,035,371	16,261,980	17,000,572	18,208,177	16,811,232
INCOME TAXES - FEDERAL	3,138,404	5,783,095	6,504,690	3,122,932	2,917,735	5,362,717	9,256,880	12,500,284	11,217,166	9,532,038
- OTHER	0	0	0	0	0	0	1,499,628	2,814,959	2,548,741	1,545,829
PROV. FOR DEFERRED INCOME TAXES	0	0	0	0	0	0	2,254,852	(1,126,312)	2,700,286	5,011,857
INCOME TAXES DEFERRED IN PRIOR YEARS (CR)	0	0	0	0	0	0	0	0	0	2,299,232
INVESTMENT TAX CREDIT ADJ. - NET	2,235,751	1,408,579	2,216,993	2,539,810	2,923,662	2,006,122	1,725,245	2,395,309	2,228,257	(489,151)
GAINS OR LOSSES FROM DISPOSITION OF UTILITY	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	199,061,911	214,382,775	272,633,623	312,667,558	332,443,859	344,095,003	337,313,769	379,442,144	372,530,889	276,953,591
NET GAS OPERATING INCOME	$19,536,673	$21,333,887	$25,476,447	$22,942,624	$26,926,295	$31,645,276	$26,880,012	$38,061,609	$39,626,704	$37,898,816
OPERATING GAS REVENUES BY PERCENT										
RESIDENTIAL SALES	26.63%	27.23%	24.97%	26.26%	24.76%	29.58%	28.72%	29.26%	31.76%	35.57%
COMMERCIAL SALES	14.70	15.74	15.87	17.83	17.61	21.42	21.28	21.75	23.82	25.12
INDUSTRIAL SALES	55.72	55.78	58.07	54.53	57.29	46.82	49.01	48.81	43.23	33.23
OTHER SALES	2.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.85
OTHER GAS REVENUES	0.67	1.25	1.09	1.38	0.33	2.18	0.99	0.18	1.20	4.22
TOTAL OPERATING GAS REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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NORTHWEST NATURAL GAS COMPANY ** WASHINGTON OPERATIONS ONLY **
STATEMENT OF NET GAS OPERATING INCOME

STATEMENT OF NET GAS OPERATING INCOME	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES										
RESIDENTIAL SALES	$1,539,276	$1,597,713	$1,781,303	$2,045,662	$1,971,553	$2,313,115	$2,102,484	$2,518,319	$2,688,454	$2,220,472
COMMERCIAL SALES	1,554,235	1,824,617	2,669,409	3,447,663	3,521,028	4,241,765	4,124,361	5,485,228	5,514,338	4,442,343
INDUSTRIAL SALES	21,824,961	18,475,358	28,970,764	30,203,579	43,692,189	26,811,096	36,825,716	41,917,879	36,836,826	18,231,336
OTHER SALES	1,167,662	0	0	0	0	0	0	0	0	0
OTHER GAS REVENUES	150,823	1,108,996	348,493	747,250	214,479	1,137,226	1,099,790	1,084,894	786,823	2,262,897
TOTAL OPERATING REVENUES	26,236,957	23,006,684	33,769,969	36,444,154	49,399,249	34,503,202	44,152,351	51,006,320	45,826,441	27,157,048
OPERATING EXPENSES										
PRODUCTION:										
MANUFACTURED GAS	0	0	0	0	0	0	0	0	0	0
NATURAL GAS	21,898,965	17,495,316	26,750,979	29,933,605	39,612,868	26,465,746	31,946,947	36,235,232	33,999,871	18,141,976
UNDERGROUND STORAGE	0	0	0	0	0	0	0	0	0	0
OTHER STORAGE	0	0	0	0	0	0	0	0	0	0
TRANSMISSION	0	4,475	0	0	0	0	0	0	0	0
DISTRIBUTION	513,081	454,821	600,511	611,175	822,620	674,713	856,606	896,224	905,471	792,275
CUSTOMER ACCOUNTS	150,406	149,357	175,309	215,667	214,702	259,543	256,149	269,451	302,092	177,939
CUSTOMER SERVICE & INFORMATIONAL EXPENSES	0	0	0	0	0	0	0	0	4,600	0
SALES	82,350	88,900	133,679	151,016	214,800	161,975	224,936	265,871	291,735	338,156
ADMINISTRATIVE AND GENERAL	612,284	529,453	841,848	946,664	1,381,716	985,951	1,364,164	1,622,585	1,652,435	1,501,995
WEATHERIZATION	0	0	0	0	0	0	0	0	0	45,031
TOTAL OPERATION AND MAINT. EXPENSES	23,257,086	18,722,322	28,502,326	31,858,127	42,246,706	28,547,928	34,648,802	39,289,363	37,156,204	20,997,372
DEPRECIATION	356,731	365,939	382,043	397,841	437,002	464,427	517,823	599,072	636,782	798,157
AMORTIZATION	63,427	48,149	57,872	53,705	17,130	0	0	0	0	0
TAXES OTHER THAN INCOME TAXES	1,032,264	1,225,136	1,447,255	1,674,728	2,036,933	1,658,542	2,351,989	2,552,139	2,494,246	1,662,324
INCOME TAXES - FEDERAL	191,442	537,828	643,964	268,572	414,318	525,546	1,471,844	2,050,047	1,592,974	1,072,509
- OTHER	0	0	0	0	0	0	0	0	0	0
PROV. FOR DEFERRED INCOME TAXES	0	0	0	0	0	0	0	(93,098)	0	0
INCOME TAXES DEFERRED IN PRIOR YEARS (CR)	0	0	0	0	0	0	0	0	0	0
INVESTMENT TAX CREDIT ADJ. - NET	136,381	130,998	219,483	218,424	415,160	196,600	0	392,830	0	0
GAINS OR LOSSES FROM DISPOSITION OF UTILITY	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	25,037,331	21,030,372	31,252,943	34,471,397	45,567,249	31,393,043	38,990,458	44,790,353	41,880,206	24,530,362
NET GAS OPERATING INCOME	$1,199,626	$1,976,312	$2,517,026	$1,972,757	$3,832,000	$3,110,159	$5,161,893	$6,215,967	$3,946,235	$2,626,686
OPERATING GAS REVENUES BY PERCENT										
RESIDENTIAL SALES	5.87%	6.94%	5.27%	5.61%	3.99%	6.70%	4.76%	4.94%	5.87%	8.18%
COMMERCIAL SALES	5.92	7.93	7.90	9.46	7.13	12.29	9.34	10.75	12.03	16.36
INDUSTRIAL SALES	83.18	80.30	85.79	82.88	88.45	77.71	83.41	82.18	80.38	67.13
OTHER SALES	4.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER GAS REVENUES	0.57	4.82	1.03	2.05	0.43	3.30	2.49	2.13	1.72	8.33
TOTAL OPERATING GAS REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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NORTHWEST NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF CHANGES IN FINANCIAL POSITIONS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
SOURCES OF FUNDS										
NET INCOME	$10,044,933	$12,393,552	$15,453,120	$13,714,209	$16,884,603	$17,691,940	$17,206,649	$19,757,201	$22,706,379	$19,629,019
PRINCIPAL NON-CASH CHARGES (CREDITS) TO INCOME:										
DEPRECIATION & DEPLETION	7,697,707	8,712,173	9,234,885	10,080,941	10,936,787	11,812,703	13,575,707	14,858,453	16,055,096	17,117,005
AMORTIZATION	1,215,372	788,267	462,972	462,972	115,741	0	0	0	44,634	99,168
PROV. FOR DEF. OR FUTURE INCOME TAXES (NET)	(824,588)	816,969	124,905	507,011	1,369,398	3,944,110	2,213,467	(1,004,947)	2,770,559	7,867,004
INVESTMENT TAX CREDIT ADJUSTMENTS	2,000,138	1,261,597	1,987,661	2,274,351	2,429,756	1,671,330	1,564,462	2,226,423	2,019,207	(687,238)
OTHER (NET)	57,262	332,375	375,694	503,553	(808,878)	(4,693,970)	2,463,108	3,441,972	1,457,585	801,958
TOTAL FUNDS FROM OPERATIONS	20,190,824	24,304,933	27,639,237	27,543,037	30,927,407	30,426,113	37,023,393	39,279,102	45,053,460	44,826,916
FUNDS FROM OUTSIDE SOURCES (NEW MONEY):										
LONG-TERM DEBT	0	0	0	0	30,000,000	40,000,000	0	0	30,000,000	50,000,000
PREFERRED STOCK	0	11,000,000	0	16,000,000	0	0	0	0	0	0
COMMON STOCK	832,233	1,233,541	12,271,620	1,781,593	2,263,959	3,966,864	4,486,728	3,945,413	4,080,583	3,773,548
NET INCREASE IN SHORT-TERM DEBT	3,300,000	(5,300,000)	1,700,000	5,800,000	2,025,000	0	0	20,500,000	6,500,000	0
OTHER (NET)	0	0	6,000,000	4,000,000	0	0	0	0	0	0
TOTAL FUNDS FROM OUTSIDE SOURCES	4,132,233	6,933,541	19,971,620	27,581,593	34,288,959	43,966,864	4,486,728	24,445,413	40,580,583	53,773,548
SALE OF NON-CURRENT ASSETS	1,152,044	942,445	1,114,671	1,283,577	0	0	1,757,964	0	0	0
CONTRIBUTIONS FROM ASSOC. & SUBS. COMPANIES	0	0	0	0	0	0	0	0	0	0
OTHER (NET)	2,295,676	2,722,887	(2,207,138)	(991,697)	7,859,423	1,194,005	15,204,285	8,261,572	905,892	4,160,216
TOTAL SOURCES OF FUNDS	$27,770,777	$34,903,806	$46,518,390	$55,416,510	$73,075,789	$75,586,982	$58,472,370	$71,986,087	$86,539,935	$102,760,680
APPLICATION OF FUNDS										
CONSTRUCTION & PLANT EXPENDITURES (INCL.LAND):										
GROSS ADD. TO UTIL. PLANT (LESS NUCLEAR FUEL)	$18,688,246	$18,868,465	$27,634,860	$32,703,965	$31,947,536	$26,363,137	$24,721,499	$34,226,124	$37,462,776	$33,468,796
GROSS ADDITIONS TO NUCLEAR FUEL	0	0	0	0	0	0	0	0	0	0
GROSS ADDITIONS TO COMMON UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
GROSS ADDITIONS TO NONUTILITY PLANT	0	(55,596)	0	0	0	0	0	104,731	87,091	9,808
OTHER	0	0	0	0	0	0	0	0	0	0
TOTAL APPLIC. TO CONST. & PLANT EXPEND.	18,688,246	18,812,869	27,634,860	32,703,965	31,947,536	26,363,137	24,721,499	34,330,855	37,549,867	33,478,604
DIVIDENDS ON PREFERRED STOCK	1,231,476	1,963,264	2,103,054	2,553,082	3,526,638	3,448,501	3,385,259	3,203,961	2,654,870	2,154,102
DIVIDENDS ON COMMON STOCK	5,543,708	6,304,260	7,126,670	8,617,490	9,910,584	10,565,313	11,179,716	12,386,478	13,926,990	15,329,693
FUNDS FOR RETIREMENT OF SEC. & SHORT TERM DEBT:										
LONG-TERM DEBT	0	2,824,000	6,176,000	6,190,000	16,191,000	6,297,000	13,619,000	15,837,000	23,317,000	34,063,000
PREFERRED STOCK	1,371,000	780,000	780,000	780,000	780,000	780,000	1,330,000	1,330,000	1,330,000	960,000
REDEMPTION OF CAPITAL STOCK	780,000	0	0	0	0	0	0	0	0	0
NET DECREASE IN SHORT-TERM DEBT	0	0	0	0	0	10,825,000	700,000	0	0	9,450,000
OTHER (NET)	0	0	0	0	0	0	0	0	0	0
PURCHASE OF OTHER NON-CURRENT ASSETS	411,568	423,321	957,401	2,577,434	4,362,239	0	(819,676)	0	0	0
INVEST. IN & ADVANCES TO ASSOC. & SUB. COM.	0	0	0	0	0	0	0	2,061,027	7,761,208	7,325,281
OTHER (NET)	(255,221)	3,796,092	1,740,405	1,994,539	6,357,792	17,308,031	4,356,572	2,836,766	0	0
TOTAL APPLICATION OF FUNDS	$27,770,777	$34,903,806	$46,518,390	$55,416,510	$73,075,789	$75,586,982	$58,472,370	$71,986,087	$86,539,935	$102,760,680

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NORTHWEST NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
PLANT, PRODUCTION AND SALES STATISTICS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS PLANT IN SERVICE AND HELD FOR FUTURE USE -- END OF YEAR										
INTANGIBLE PLANT	$39,384	$39,384	$39,384	$39,384	$39,384	$39,384	$39,384	$39,384	$39,384	$39,384
PRODUCTION AND STORAGE PLANT	21,385,954	21,309,264	22,679,342	23,939,416	26,339,343	27,676,706	28,179,421	29,157,483	21,567,168	21,509,919
TRANSMISSION AND DISTRIBUTION PLANT	214,565,278	229,506,006	251,425,830	276,930,996	301,492,916	322,005,976	341,625,378	371,016,719	393,573,310	421,760,936
GENERAL PLANT	17,712,116	19,735,708	21,630,726	22,934,672	25,145,242	26,851,425	24,476,458	26,410,514	29,567,722	31,231,439
TOTAL GAS PLANT IN SERVICE	253,702,732	270,590,362	295,775,282	323,844,468	353,016,885	376,573,491	394,320,641	426,624,100	444,747,584	474,541,678
PROPERTY HELD FOR FUTURE USE	398,403	0	399,306	399,306	206,838	206,838	206,838	206,838	206,838	206,838
LESS: ACCUM.PROV. FOR DEPR.& AMORT.- GAS	41,466,043	47,799,893	54,324,003	61,931,672	69,906,457	78,496,241	87,696,229	99,374,206	106,948,682	119,625,615
NET GAS PLANT	$212,635,092	$222,790,469	$241,850,585	$262,312,102	$283,317,266	$298,284,088	$306,831,250	$327,456,732	$338,005,740	$355,122,901
CONSTRUCTION WORK IN PROGRESS	$655,394	$157,022	$346,062	$0	$0	$0	$0	$0	$529,121	$580,218
ANNUAL GAS PURCH., PROD. & DISBURSED(THERMS)										
GAS PRODUCED	93,221	0	0	0	0	0	0	0	0	0
GAS PURCHASED	924,833,410	862,909,513	908,680,579	741,709,229	754,644,021	646,674,608	655,510,211	737,631,424	767,859,109	605,412,702
TOTAL GAS PRODUCED & PURCHASED	924,926,631	862,909,513	908,680,579	741,709,229	754,644,021	646,674,608	655,510,211	737,631,424	767,859,109	605,412,702
GAS TRANSPORTED OR COMPRESSED FOR OTHERS	0	0	0	0	0	0	0	0	37,326,596	66,989,906
GAS USED BY COMPANY	2,319,333	2,482,262	1,954,058	1,001,385	1,214,098	1,771,310	1,879,919	1,104,511	1,398,522	584,026
GAS SOLD	907,464,977	833,733,481	901,064,822	724,076,819	745,835,898	633,221,685	624,844,371	729,688,094	747,236,754	605,425,832
GAS UNACCOUNTED FOR	10,979,230	20,521,955	4,969,036	15,945,218	7,625,548	11,697,707	23,652,844	7,184,851	19,106,467	(430,097)
GAS DELIVERED TO (FROM) STORAGE	4,163,091	6,171,815	692,663	685,807	(31,523)	(16,094)	5,133,077	(346,032)	(547,015)	3,666,000
UNACCOUNTED FOR TO TOTAL PRODUCED & PURCHASED	1.19	2.38	0.55	2.15	1.01	1.81	3.61	0.97	2.49	(0.07)
% DEPR/AMORT EXP TO TOTAL GAS PLANT IN SERV.	3.51	3.51	3.28	3.26	3.13	3.14	3.44	3.48	3.61	3.63
% NET GAS UTILITY OPR. INC. TO NET GAS PLANT	9.19	9.58	10.53	8.75	9.50	10.61	8.76	11.62	11.72	10.67
TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	37,317,708	38,148,288	39,405,379	40,454,465	41,126,192	41,471,387	41,675,620	42,278,024	42,557,310	42,171,536
NO.OF METERS IN SERV.& HELD IN RESERVE (AVE.)	238,166	242,170	250,277	261,041	268,721	274,698	278,846	281,806	290,147	295,212
NUMBER OF CUSTOMERS - AVERAGE	209,832	214,658	220,971	229,644	238,104	241,459	243,868	247,124	257,671	265,270
AVERAGE B.T.U. CONTENT PER CU. FT.	1,042	1,045	1,045	1,055	1,060	1,047	1,047	1,037	1,028	1,022

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NORTHWEST NATURAL GAS COMPANY ** WASHINGTON OPERATIONS ONLY **
PLANT, PRODUCTION AND SALES STATISTICS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS PLANT IN SERVICE AND HELD FOR FUTURE USE -- END OF YEAR										
INTANGIBLE PLANT	$447	$447	$447	$447	$447	$447	$447	$447	$447	$447
PRODUCTION AND STORAGE PLANT	0	0	0	0	0	0	0	0	0	0
TRANSMISSION AND DISTRIBUTION PLANT	10,288,279	10,495,298	11,183,207	11,797,867	13,196,016	14,291,717	15,297,299	16,681,585	20,024,872	22,078,552
GENERAL PLANT	63,190	65,290	65,290	65,290	65,868	74,509	66,366	75,844	78,269	93,869
TOTAL GAS PLANT IN SERVICE	10,351,916	10,561,035	11,248,944	11,863,604	13,262,331	14,366,673	15,364,112	16,757,876	20,103,588	22,172,868
PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0	0	0
LESS: ACCUM.PROV. FOR DEPR.& AMORT.- GAS	1,645,372	1,879,867	2,066,132	2,304,122	2,514,367	2,744,769	3,059,530	3,453,387	3,775,731	4,290,368
NET GAS PLANT	$8,706,544	$8,681,168	$9,182,812	$9,559,482	$10,747,964	$11,621,904	$12,304,582	$13,304,489	$16,327,857	$17,882,500
CONSTRUCTION WORK IN PROGRESS	$47,192	$9,990	$10,684	$0	$0	$0	$0	$0	$0	$0
ANNUAL GAS PURCH., PROD. & DISBURSED(THERMS)										
GAS PRODUCED	0	0	0	0	0	0	0	0	0	0
GAS PURCHASED	127,889,348	89,092,235	113,222,305	86,316,762	111,981,693	63,246,472	85,949,699	96,624,204	97,700,140	68,925,191
TOTAL GAS PRODUCED & PURCHASED	127,889,348	89,092,235	113,222,305	86,316,762	111,981,693	63,246,472	85,949,699	96,624,204	97,700,140	68,925,191
GAS TRANSPORTED OR COMPRESSED FOR OTHERS	0	0	0	0	0	0	0	0	3,938,550	17,435,115
GAS USED BY COMPANY	21,936	20,446	12,896	16,583	23,376	10,374	15,196	20,946	44,787	34,263
GAS SOLD	128,182,937	87,348,100	112,821,363	85,251,124	113,038,824	63,014,384	84,754,383	97,853,486	98,434,471	67,652,221
GAS UNACCOUNTED FOR	(315,525)	1,723,689	388,046	1,049,055	(1,080,507)	221,714	1,180,120	(1,250,228)	162,544	1,338,691
GAS DELIVERED TO (FROM) STORAGE	0	0	0	0	0	0	0	0	(574,416)	(505,035)
UNACCOUNTED FOR TO TOTAL PRODUCED & PURCHASED	-0.25	1.93	0.34	1.22	-0.96	0.35	1.37	-1.29	0.17	1.94
% DEPR/AMORT EXP TO TOTAL GAS PLANT IN SERV.	4.06	3.92	3.91	3.81	3.42	3.23	3.37	3.57	3.17	3.60
% NET GAS UTILITY OPR. INC. TO NET GAS PLANT	13.78	22.77	27.41	20.64	35.65	26.76	41.95	46.72	24.17	14.69
TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	1,943,502	1,945,722	1,985,682	2,021,073	2,057,243	2,071,843	2,115,773	2,163,047	2,190,547	2,356,494
NO.OF METERS IN SERV.& HELD IN RESERVE (AVE.)	7,104	6,933	6,857	6,834	6,809	6,808	6,898	7,081	7,241	7,497
NUMBER OF CUSTOMERS - AVERAGE	6,389	6,264	6,122	6,052	6,045	6,027	6,023	6,249	6,427	6,688
AVERAGE B.T.U. CONTENT PER CU. FT.	1,042	1,045	1,045	1,055	1,060	1,047	1,047	1,037	1,028	1,022

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NORTHWEST NATURAL GAS ** TOTAL COMPANY OPERATIONS **
SALES STATISTICS FOR GAS OPERATIONS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS SERVICE REVENUES										
RESIDENTIAL SALES	$58,212,707	$64,191,766	$74,443,047	$88,119,934	$88,995,440	$111,148,702	$104,580,654	$122,178,763	$130,897,268	$111,992,501
COMMERCIAL SALES	32,142,537	37,096,861	47,306,218	59,853,781	63,276,664	80,463,030	77,517,869	90,794,127	98,170,761	79,099,399
INDUSTRIAL SALES	121,806,506	131,476,296	173,105,641	183,006,149	205,898,866	175,912,003	178,475,974	203,776,746	178,162,803	104,632,831
SALES FOR RESALE	4,968,774	0	0	0	0	0	0	0	0	0
TOTAL GAS SERVICE REVENUES	$217,130,524	$232,764,923	$294,854,906	$330,979,864	$358,170,970	$367,543,735	$360,574,497	$416,749,636	$407,230,832	$295,724,731
THERMS OF GAS SOLD										
RESIDENTIAL SALES	176,168,449	174,548,866	180,959,640	165,488,199	154,426,576	169,395,566	151,504,691	177,441,155	195,497,309	172,001,647
COMMERCIAL SALES	107,592,601	112,639,217	126,769,384	120,209,803	120,553,693	131,488,731	121,918,136	141,859,700	158,844,841	140,891,935
INDUSTRIAL SALES	605,635,659	546,631,018	593,420,565	438,455,509	470,919,679	332,408,400	351,483,451	410,453,820	392,964,192	292,590,783
SALES FOR RESALE	18,068,268	0	0	0	0	0	0	0	0	0
TOTAL THERMS OF GAS SOLD	907,464,977	833,819,101	901,149,589	724,153,511	745,899,948	633,292,697	624,906,278	729,754,675	747,306,342	605,484,365
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH										
RESIDENTIAL SALES	185,737	189,983	195,375	202,863	210,353	213,324	215,316	220,789	266,952	233,473
COMMERCIAL SALES	23,457	24,075	25,035	26,212	27,187	27,664	27,988	29,024	30,137	31,191
INDUSTRIAL SALES	638	600	561	569	564	561	564	568	582	606
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL GAS CUSTOMERS	209,832	214,658	220,971	229,644	238,104	241,549	243,868	250,381	297,671	265,270
AVE. GAS SERVICE REVENUE/THERM SOLD (CENTS)										
RESIDENTIAL SALES	33.04	36.78	41.14	53.25	57.63	65.61	69.03	68.86	66.96	65.11
COMMERCIAL SALES	29.87	32.93	37.32	49.79	52.49	61.21	63.58	64.00	61.80	56.14
INDUSTRIAL SALES	20.11	24.05	29.17	41.74	43.72	52.92	50.78	49.65	45.34	35.76
SALES FOR RESALE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	23.93	27.92	32.72	45.71	48.02	58.04	57.70	57.11	54.49	48.84
AVERAGE GAS SERVICE REVENUE PER CUSTOMER										
RESIDENTIAL SALES	$313	$338	$381	$434	$423	$521	$486	$553	$577	$480
COMMERCIAL SALES	1,370	1,541	1,890	2,283	2,327	2,909	2,770	3,128	3,257	2,536
INDUSTRIAL SALES	190,919	219,127	308,566	321,628	365,069	313,569	316,447	358,762	306,122	172,661
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	1,035	1,084	1,334	1,441	1,504	1,522	1,479	1,664	1,580	1,115
AVERAGE THERMS OF GAS SOLD PER CUSTOMER										
RESIDENTIAL SALES	948	919	926	816	734	794	704	804	861	737
COMMERCIAL SALES	4,587	4,679	5,064	4,586	4,434	4,753	4,356	4,888	5,271	4,517
INDUSTRIAL SALES	949,272	911,052	1,057,791	770,572	834,964	592,528	623,198	722,630	675,196	482,823
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	4,325	3,884	4,078	3,153	3,133	2,622	2,562	2,915	2,900	2,283

NOTE: One therm is equal to 100,000 B.T.U.

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NORTHWEST NATURAL GAS COMPANY ** WASHINGTON OPERATIONS ONLY **
SALES STATISTICS FOR GAS OPERATIONS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS SERVICE REVENUES										
RESIDENTIAL SALES	$1,539,276	$1,597,713	$1,781,303	$2,045,662	$1,971,553	$2,313,115	$2,102,484	$2,518,319	$2,688,454	$2,220,472
COMMERCIAL SALES	1,554,235	1,824,617	2,669,409	3,447,663	3,521,028	4,241,765	4,124,361	5,485,228	5,514,338	4,442,343
INDUSTRIAL SALES	21,824,961	18,475,358	28,970,764	30,203,579	43,692,189	26,811,096	36,825,716	41,917,879	36,836,826	18,231,336
SALES FOR RESALE	1,167,662	0	0	0	0	0	0	0	0	0
TOTAL GAS SERVICE REVENUES	$26,086,134	$21,897,688	$33,421,476	$35,696,904	$49,184,770	$33,365,976	$43,052,561	$49,921,426	$45,039,618	$24,894,151
THERMS OF GAS SOLD										
RESIDENTIAL SALES	4,758,754	4,444,914	4,468,937	3,952,246	3,521,661	3,659,729	3,259,650	3,884,089	4,189,345	3,747,717
COMMERCIAL SALES	5,523,650	5,769,648	7,697,468	7,355,520	6,965,100	7,241,589	7,017,387	9,221,753	9,288,261	8,280,337
INDUSTRIAL SALES	113,654,490	77,133,538	100,654,958	73,943,358	102,552,063	52,113,066	74,477,346	84,747,644	84,956,865	55,624,167
SALES FOR RESALE	4,246,043	0	0	0	0	0	0	0	0	0
TOTAL THERMS OF GAS SOLD	128,182,937	87,348,100	112,821,363	85,251,124	113,038,824	63,014,384	84,754,383	97,853,486	98,434,471	67,652,221
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH										
RESIDENTIAL SALES	5,427	5,295	5,150	5,055	5,006	4,978	4,949	5,130	5,220	5,404
COMMERCIAL SALES	910	920	929	954	998	1,006	1,030	1,076	1,162	1,237
INDUSTRIAL SALES	52	49	43	43	41	43	44	43	45	47
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL GAS CUSTOMERS	6,389	6,264	6,122	6,052	6,045	6,027	6,023	6,249	6,427	6,688
AVE. GAS SERVICE REVENUE/THERM SOLD (CENTS)										
RESIDENTIAL SALES	32.35	35.94	39.86	51.76	55.98	63.20	64.50	64.84	64.17	59.25
COMMERCIAL SALES	28.14	31.62	34.68	46.87	50.55	58.58	58.77	59.48	59.37	53.65
INDUSTRIAL SALES	19.20	23.95	28.78	40.85	42.60	51.45	49.45	49.46	43.36	32.78
SALES FOR RESALE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	20.35	25.07	29.62	41.87	43.51	52.95	50.80	51.02	45.76	36.80
AVERAGE GAS SERVICE REVENUE PER CUSTOMER										
RESIDENTIAL SALES	$284	$302	$346	$405	$394	$465	$425	$491	$515	$411
COMMERCIAL SALES	1,708	1,983	2,873	3,614	3,528	4,216	4,004	5,098	4,746	3,591
INDUSTRIAL SALES	419,711	377,048	673,739	702,409	1,065,663	623,514	836,948	974,834	818,596	387,901
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	4,083	3,496	5,459	5,898	8,136	5,536	7,148	7,989	7,008	3,722
AVERAGE THERMS OF GAS SOLD PER CUSTOMER										
RESIDENTIAL SALES	877	839	868	782	703	735	659	757	803	694
COMMERCIAL SALES	6,070	6,271	8,286	7,710	6,979	7,198	6,813	8,570	7,993	6,694
INDUSTRIAL SALES	2,185,663	1,574,154	2,340,813	1,719,613	2,501,270	1,211,932	1,692,667	1,970,875	1,887,930	1,183,493
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	20,063	13,944	18,429	14,086	18,700	10,455	14,072	15,659	15,316	10,115

NOTE: One therm is equal to 100,000 B.T.U.

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WASHINGTON NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
BALANCE SHEET -- ASSETS AND OTHER DEBITS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
UTILITY PLANT										
UTILITY PLANT	$218,904,118	$228,815,697	$249,818,615	$271,279,041	$292,587,585	$311,923,070	$332,670,734	$355,814,144	$388,780,900	$427,021,245
CONSTRUCTION WORK IN PROGRESS	1,486,942	3,872,422	1,214,978	3,041,626	1,239,889	2,649,678	2,975,539	2,974,350	2,963,517	5,397,781
TOTAL UTILITY PLANT	220,391,060	232,688,119	251,033,593	274,320,667	293,827,474	314,572,748	335,646,273	358,788,494	391,744,417	432,419,026
LESS ACCUM. PROV. FOR DEPR.AMORT. & DEPL.	43,314,407	48,291,454	53,711,832	59,571,587	64,903,656	72,818,260	80,299,340	89,004,329	100,157,044	111,646,622
NET UTILITY PLANT	177,076,653	184,396,665	197,321,761	214,749,080	228,923,818	241,754,488	255,346,933	269,784,165	291,587,373	320,772,404
GAS STORED UNDERGROUND - NONCURRENT	1,871,335	2,741,291	3,847,849	4,218,770	4,312,973	4,370,786	4,866,791	4,866,791	4,866,895	4,866,895
UTILITY PLANT ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0
OTHER PROPERTY AND INVESTMENTS										
NONUTIL. PROP.(LESS ACCUM. DEPR.& AMORT.)	0	0	0	0	0	0	0	0	0	0
INVESTMENT IN ASSOCIATED COMPANIES	0	0	0	0	0	0	0	0	0	0
INVESTMENT IN SUBSIDIARY COMPANIES	4,347,134	0	0	0	0	0	0	0	0	0
OTHER INVESTMENTS	0	0	0	0	0	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER PROPERTY AND INVESTMENTS	4,347,134	0	0	0	0	0	0	0	0	0
CURRENT AND ACCRUED ASSETS										
CASH	1,802,937	3,842,251	5,146,429	6,557,300	4,078,051	1,499,872	2,039,924	2,544,722	5,222,185	3,986,833
SPECIAL DEPOSITS	0	0	2,402,770	0	0	0	0	0	0	
WORKING FUNDS	21,810	25,435	31,894	30,095	42,295	38,695	38,870	41,520	43,163	53,495
TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	0	0	
NOTES & ACCTS. REC.(LESS PROV. FOR UNCOLL. ACCTS.)	21,977,445	27,542,743	33,299,857	37,309,839	49,288,910	55,079,139	53,206,281	54,764,173	65,502,508	50,483,217
RECEIVABLES FROM ASSOC. COMPANIES	0	10,857,172	10,573,855	20,492,954	11,080,522	9,202,527	6,623,188	5,153,279	4,963,912	3,566,403
MATERIALS AND SUPPLIES	2,361,226	2,952,770	4,227,659	4,653,434	3,995,968	4,090,445	4,331,230	4,655,597	3,749,932	6,758,748
GAS STORED UNDERGROUND - CURRENT	0	0	0	0	0	0	0	0	0	
LIQUEFIED NATURAL GAS STORED	179,027	192,715	367,956	626,879	626,879	626,879	641,700	641,700	641,700	641,700
PREPAYMENTS	253,917	267,883	(7,007)	99,391	160,002	34,856	682,251	887,067	1,645,268	1,684,903
ADVANCES FOR GAS EXPLORATION, DEV. & PRODUCTION	0	0	0	0	0	0	0	0	0	
OTHER ADVANCES FOR GAS	0	0	0	0	0	0	0	0	0	
INTEREST AND DIVIDENDS RECEIVABLE	0	0	0	0	0	0	0	0	0	
RENTS RECEIVABLE	0	0	0	0	0	0	0	0	0	
ACCRUED UTILITY REVENUES	0	0	0	0	0	0	0	0	0	18,347,000
MISC. CURRENT AND ACCRUED ASSETS	0	0	0	0	0	0	0	0	0	
TOTAL CURRENT AND ACCRUED ASSETS	26,596,362	45,680,969	56,043,413	69,769,892	69,272,627	70,572,413	67,563,444	68,688,058	81,768,668	85,522,299
DEFERRED DEBITS										
UNAMORTIZED DEBT EXPENSE	1,126,480	999,420	1,006,048	896,679	775,595	691,799	781,001	657,770	553,026	725,747
EXTRAORDINARY PROPERTY LOSSES	0	0	0	0	0	0	0	0	0	0
PRELIM. SURVEY & INVESTIGATION CHARGES	6,613	6,613	0	0	0	0	0	0	0	0
CLEARING ACCOUNTS	91,207	258,234	230,159	300,073	65,740	59,427	(10,924)	173,051	457,906	715,204
TEMPORARY FACILITIES	0	0	0	22,038	0	0	0	0	0	0
MISCELLANEOUS DEFERRED DEBITS	427,548	676,017	912,712	1,396,103	843,543	1,245,477	995,312	988,128	730,891	1,756,902
DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
RESEARCH, DEVELOPMENT & DEMO. EXPENDITURES	0	0	0	0	0	0	0	0	0	0
UNAMORTIZED LOSS ON REACQUIRED DEBT	0	0	0	0	0	0	0	0	0	0
ACCUMULATED DEFERRED INCOME TAXES	1,605,182	2,008,833	2,322,706	2,225,211	2,061,527	1,906,839	1,760,354	1,300,295	1,118,810	773,050
UNRECOVERED PURCHASED GAS COSTS	6,891,000	10,453,000	10,934,000	10,402,000	13,780,000	13,671,000	18,737,000	16,888,000	15,677,000	0
TOTAL DEFERRED DEBITS	10,148,030	14,402,117	15,405,625	15,242,104	17,526,405	17,574,542	22,262,743	20,007,244	18,537,633	3,970,903
TOTAL ASSETS AND OTHER DEBITS	$220,039,514	$247,221,042	$272,618,648	$303,979,846	$320,035,823	$334,272,229	$350,039,911	$363,346,258	$396,760,569	$415,132,501

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WASHINGTON NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
BALANCE SHEET -- LIABILITIES AND OTHER CREDITS

PROPRIETARY CAPITAL	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
COMMON STOCK ISSUED	$16,543,085	$16,632,470	$0	$20,723,920	$22,963,515	$23,130,860	$23,210,290	$25,291,020	$26,009,295	$26,652,275
PREFERRED STOCK ISSUED	12,400,000	12,100,000	19,022,420	11,500,000	21,200,000	20,900,000	20,600,000	30,300,000	30,000,000	29,700,000
CAPITAL STOCK SUBSCRIBED	0	0	11,800,000	0	0	0	0	0	0	
STOCK LIABILITY FOR CONVERSION	0	0	0	0	0	0	0	0	0	
PREMIUM ON CAPITAL STOCK	12,971,345	13,141,353	17,391,198	21,560,860	24,488,901	25,231,578	25,360,311	29,039,610	31,302,942	33,901,840
OTHER PAID-IN CAPITAL	820,047	838,978	883,192	885,992	913,412	927,762	927,762	927,762	927,762	927,762
INSTALLMENTS RECEIVED ON CAPITAL STOCK	0	0	0	0	0	0	0	0	0	
DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0	0	
CAPITAL STOCK EXPENSE	(404,181)	(404,181)	(513,945)	(587,725)	(693,142)	(815,223)	(815,223)	(975,730)	(1,010,868)	(1,010,868)
RETAINED EARNINGS	27,061,565	27,934,578	28,856,203	29,268,505	34,775,774	36,137,002	37,200,301	40,799,487	49,015,825	53,960,337
UNAPP. UNDISTRIBUTED SUBSIDIARY EARNINGS	0	0	0	0	0	0	0	0	0	
REACQUIRED CAPITAL STOCK	(34,200)	(45,500)	(96,100)	(3,100)	(9,800)	(36,200)	(9,700)	(9,700)	0	
TOTAL PROPRIETARY CAPITAL	69,357,661	70,197,698	77,342,968	83,348,452	103,638,660	105,475,779	106,473,741	125,372,449	136,244,956	144,131,346
LONG TERM DEBT										
BONDS	96,861,000	94,722,000	109,847,000	107,556,000	102,845,000	109,200,000	125,714,000	121,020,000	117,395,000	157,489,000
ADVANCES FROM ASSOCIATED COMPANIES	0	0	0	0	0	0	0	0	0	
OTHER LONG-TERM DEBT	3,100,000	2,700,000	2,400,000	2,200,000	2,000,000	23,675,000	17,225,000	9,375,000	3,125,000	
UNAMORTIZED PREMIUM ON LONG-TERM DEBT	0	0	0	0	0	0	0	0	0	
UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	0	0	0	0	0	0	0	0	0	
TOTAL LONG-TERM DEBT	99,961,000	97,422,000	112,247,000	109,756,000	104,845,000	132,875,000	142,939,000	130,395,000	120,520,000	157,489,000
CURRENT AND ACCRUED LIABILITIES										
NOTES PAYABLE	7,000,000	24,000,000	22,000,000	34,500,000	35,000,000	16,000,000	7,000,000	4,500,000	22,000,000	15,500,000
ACCOUNTS PAYABLE	17,115,651	20,129,181	25,627,518	26,850,912	30,792,412	31,674,836	40,951,710	36,720,000	37,130,412	24,496,262
PAYABLES TO ASSOCIATED COMPANIES	0	1,636,387	(12,399)	10,701,555	1,667,238	0	103,430	5,024,407	10,031,217	262,670
CUSTOMER DEPOSITS	1,138,330	1,215,794	1,369,729	1,570,177	1,070,338	1,198,341	1,305,793	1,385,135	1,633,791	1,804,691
TAXES ACCRUED	4,886,511	6,832,106	3,421,456	2,215,430	3,228,680	2,828,806	(1,205,671)	4,507,239	8,860,082	6,016,904
INTEREST ACCRUED	2,138,696	2,538,806	3,092,056	3,817,205	3,308,481	3,642,543	4,385,879	4,076,968	4,100,149	5,460,194
DIVIDENDS DECLARED	0	0	0	0	0	0	0	0	0	
MATURED LONG TERM DEBT	0	0	0	0	0	0	0	0	0	
MATURED INTEREST	0	0	0	0	0	0	0	0	0	
TAX COLLECTIONS PAYABLE	107,402	236,971	168,075	186,789	97,858	109,947	238,476	196,801	272,201	255,398
MISC. CURRENT & ACCRUED LIABILITIES	263,479	271,162	486,166	537,440	746,860	735,351	849,407	1,324,184	1,630,852	1,811,018
OBLIGATIONS UNDER CAPITAL LEASES--CURRENT	0	0	0	0	0	0	0	0	0	
TOTAL CURRENT AND ACCRUED LIABILITIES	32,650,069	56,860,407	56,152,601	80,379,508	75,911,867	56,189,824	53,629,024	57,734,734	85,658,704	55,607,137
DEFERRED CREDITS										
CUSTOMER ADVANCES FOR CONSTRUCTION	214,682	132,131	85,052	143,234	187,462	267,061	308,511	374,717	483,492	623,101
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	3,906,490	4,936,089	6,805,574	8,921,306	10,407,327	11,914,354	13,587,254	14,959,625	16,917,038	16,209,712
DEFERRED GAINS FROM DISP.OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	
OTHER DEFERRED CREDITS	1,427,953	1,486,483	1,579,754	1,716,452	1,861,522	2,301,408	2,966,328	3,922,865	4,296,727	4,842,526
UNAMORTIZED GAIN ON REACQUIRED DEBT	0	0	0	0	0	0	0	0	0	
ACCUMULATED DEFERRED INCOME TAXES	9,177,530	11,995,457	13,539,699	15,060,841	18,885,765	21,284,339	26,616,953	27,941,042	30,389,384	34,736,002
TOTAL DEFERRED CREDITS	14,726,655	18,550,160	22,010,079	25,841,833	31,342,076	35,767,162	43,479,046	47,198,249	52,086,641	56,411,341
OTHER NONCURRENT LIABILITIES										
OBLIGATIONS UNDER CAPITAL LEASES--NONCURRENT	0	0	0	0	0	0	0	0	0	0
ACCUMULATED OPERATING RESERVES	3,344,129	4,190,777	4,866,000	4,654,053	4,298,220	3,964,464	3,519,100	2,645,826	2,250,268	1,493,677
ACCUMULATED PROVISIONS FOR RATE REFUNDS	0	0	0	0	0	0	0	0	0	
TOTAL OTHER NONCURRENT LIABILITIES	3,344,129	4,190,777	4,866,000	4,654,053	4,298,220	3,964,464	3,519,100	2,645,826	2,250,268	1,493,677
TOTAL LIABILITIES AND OTHER CREDITS	$220,039,514	$247,221,042	$272,618,648	$303,979,846	$320,035,823	$334,272,229	$350,039,911	$363,346,258	$396,760,569	$415,132,501

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WASHINGTON NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF INCOME

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
UTILITY OFERATING INCOME										
OPERATING REVENUES	$184,374,966	$197,983,944	$243,314,736	$292,174,248	$314,539,921	$347,934,346	$322,397,636	$369,189,777	$390,605,435	$314,651,852
OPERATING EXPENSES:										
OPERATION EXPENSES	141,894,033	151,753,476	192,987,793	235,037,269	245,093,018	271,987,658	246,767,576	277,581,688	282,182,076	219,262,349
MAINTENANCE EXPENSES	1,870,372	2,225,521	2,684,630	3,775,464	3,395,932	3,705,478	3,700,130	3,691,327	4,817,495	4,060,284
DEPRECIATION EXPENSE	5,619,178	6,629,972	7,076,845	7,715,268	8,600,784	9,949,168	10,887,817	11,498,336	13,363,128	14,647,502
AMORT. & DEPL. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
AMORT. OF UTILITY PLANT ACQ. ADJ.	0	0	0	0	0	0	0	0	0	0
AMORT. OF PROPERTY LOSSES	0	0	0	0	0	0	0	0	0	0
AMORT. OF CONVERSION EXPENSES	0	0	0	0	0	0	0	0	0	0
TAXES OTHER THAN INCOME TAXES	16,891,091	18,667,014	21,341,923	25,036,194	26,736,976	31,567,511	31,007,763	35,314,308	36,401,384	31,129,175
INCOME TAXES - FEDERAL	915,614	140,229	(374,619)	(1,122,455)	544,858	2,111,167	(823,778)	8,327,856	13,126,505	11,716,038
- OTHER	0	0	0	0	0	0	0	0	0	0
PROVISION FOR DEFERRED INCOME TAXES	2,074,060	2,817,927	1,534,483	1,618,637	3,988,607	2,553,262	5,479,128	1,492,382	2,630,299	2,414,418
PROVISION FOR DEFERRED INCOME TAXES - CR.	0	0	0	0	0	0	0	0	0	0
INVESTMENT TAX CREDIT ADJ. - NET	873,536	1,029,599	1,869,485	2,115,732	1,486,021	1,507,027	1,672,900	1,372,371	1,957,413	(707,326)
GAINS FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
LOSSES FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
TOTAL UTILITY OPERATING EXPENSES	170,137,884	183,263,738	227,120,540	274,176,109	289,846,196	323,381,271	298,691,536	339,278,268	354,478,300	282,522,440
NET UTILITY OPERATING INCOME	14,237,082	14,720,206	16,194,196	17,998,139	24,693,725	24,553,075	23,706,100	29,911,509	36,127,135	32,129,412
OTHER INCOME AND DEDUCTIONS										
OTHER INCOME:										
NONUTILITY OPERATING INCOME	1,065,517	1,032,118	1,750,112	3,083,778	5,044,545	4,416,971	2,804,396	3,476,983	5,362,366	5,141,182
EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	50,120	50,213	0	0	0	0	0	0	0	0
INTEREST & DIVIDEND INCOME	118,389	81,510	751,919	810,640	2,367,055	2,101,553	656,873	801,174	508,734	314,520
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	65,000	123,500	115,500	120,000	120,000	120,000	120,000	(27,000)	86,012	266,000
MISCELLANEOUS NONOPERATING INCOME	262,158	67,262	31,964	473,832	331,775	441,090	221,370	277,978	99,391	322,997
GAIN ON DISPOSITION OF PROPERTY	209,693	5,476	1,048,734	0	0	0	0	0	0	0
TOTAL OTHER INCOME	1,770,877	1,360,079	3,698,229	4,488,250	7,863,375	7,079,614	3,802,639	4,529,135	6,056,503	6,044,699
OTHER INCOME DEDUCTIONS:										
LOSS ON DISPOSITION OF PROPERTY	0	0	0	24,625	0	5,301	0	0	0	0
MISCELLANEOUS AMORTIZATION	31,704	31,704	0	0	0	0	0	0	0	0
MISCELLANEOUS INCOME DEDUCTIONS	99,424	114,971	111,447	127,329	136,358	168,280	123,698	278,694	281,547	260,799
TOTAL OTHER INCOME DEDUCTIONS	131,128	146,675	111,447	151,954	136,358	173,581	123,698	278,694	281,547	260,799
TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS:										
TAXES OTHER THAN INCOME TAXES	38,941	41,260	67,711	109,150	115,514	135,672	119,896	122,341	162,542	172,158
INCOME TAXES - FEDERAL	604,996	446,091	1,303,995	1,460,462	3,016,087	2,806,662	1,604,156	1,757,901	2,445,964	2,080,468
- OTHER	0	0	0	0	0	0	0	0	0	0
PROVISION FOR DEFERRED INCOME TAXES	0	0	0	0	0	0	0	0	0	0
PROVISION FOR DEFERRED INCOME TAXES - CR.	0	0	0	0	0	0	0	0	0	0
INVESTMENT TAX CREDIT ADJ. - NET	0	0	0	0	0	0	0	0	0	0
INVESTMENT TAX CREDITS	0	0	0	0	0	0	0	0	0	0
TOTAL TAXES ON OTHER INCOME & DEDUCTIONS	643,937	487,351	1,371,706	1,569,612	3,131,601	2,942,334	1,724,052	1,880,242	2,608,506	2,252,626
NET OTHER INCOME & DEDUCTIONS	$995,812	$726,053	$2,215,076	$2,766,684	$4,595,416	$3,963,699	$1,954,889	$2,370,199	$3,166,450	$3,531,274

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WASHINGTON NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF INCOME (CONTINUED)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
INTEREST CHARGES										
INTEREST ON LONG-TERM DEBT	$8,083,228	$8,176,609	$8,624,032	$9,768,761	$9,511,068	$13,792,448	$13,322,259	$14,260,272	$12,969,847	$13,672,348
AMORT. OF DEBT DISC. AND EXPENSE	127,043	123,964	122,285	119,903	115,508	133,241	126,807	115,894	104,744	114,670
AMORT. OF LOSS IN REACQUIRED DEBT	0	0	0	0	0	0	0	0	0	0
AMORT. OF PREMIUM ON DEBT-CREDIT	0	0	0	0	0	0	0	0	0	0
AMORT. OF GAIN ON REACQUIRED DEBT-CREDIT	0	0	0	0	0	0	0	0	0	0
INTEREST ON DEBT TO ASSOC. COMPANIES	0	0	120,412	738,263	668,282	508,900	7,382	0	0	0
OTHER INTEREST EXPENSE	396,642	1,075,165	2,324,988	3,252,761	6,481,011	1,444,316	1,504,149	1,007,156	1,021,066	1,554,511
ALLOW. FOR BORROWED FUNDS USED DURING CONSTN.	0	0	0	0	0	0	0	0	0	0
NET INTEREST CHARGES	8,606,913	9,375,738	11,191,717	13,879,688	16,775,869	15,878,905	14,960,597	15,383,322	14,095,657	15,341,529
INCOME BEFORE EXTRAORDINARY ITEMS	6,625,981	6,070,521	7,217,555	6,885,135	12,513,272	12,637,869	10,700,392	16,898,386	25,194,928	20,319,157
EXTRAORDINARY ITEMS										
NET EXTRAORDINARY ITEMS	0	0	0	0	0	0	0	0	0	5,286,000
LESS: INCOME TAXES - FEDERAL AND OTHER	0	0	0	0	0	0	0	0	0	2,070,960
EXTRAORDINARY ITEMS AFTER TAXES	0	0	0	0	0	0	0	0	0	3,215,040
NET INCOME	$6,625,981	$6,070,521	$7,217,555	$6,885,135	$12,513,272	$12,637,869	$10,700,392	$16,898,386	$25,194,928	$23,534,197

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AUGUST 31, 1987

WASHINGTON NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF UNAPPROPRIATED RETAINED EARNINGS, AND UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
STATEMENT OF UNAPPROPRIATED RET. EARNINGS										
BALANCE AT BEGINNING OF YEAR	$25,367,913	$27,061,565	$27,934,578	$28,856,203	$29,268,505	$34,775,774	$36,137,002	$37,200,301	$40,799,487	$49,015,825
CREDITS:										
BALANCE TRANSFERRED FROM INCOME	6,625,981	6,070,521	7,217,555	6,885,135	12,513,272	12,637,869	10,700,392	16,898,386	25,194,928	23,534,197
MISCELLANEOUS CREDITS	0	0	0	0	0	0	0	0	0	0
TOTAL CREDITS	6,625,981	6,070,521	7,217,555	6,885,135	12,513,272	12,637,869	10,700,392	16,898,386	25,194,928	23,534,197
DEBITS:										
APPROPRIATIONS OF RETAINED EARNINGS	0	0	0	0	0	0	0	0	0	0
DIVIDENDS DECLARED - COMMON STOCK	4,089,390	4,377,381	5,496,537	5,689,925	6,140,174	9,031,035	7,412,002	10,750,149	13,504,662	15,135,341
DIVIDENDS DECLARED - PREFERRED STOCK	842,939	820,127	799,393	782,908	865,829	2,245,606	2,225,091	2,549,051	3,473,928	3,454,344
MISCELLANEOUS DEBITS	0	0	0	0	0	0	0	0	0	0
TOTAL DEBITS	4,932,329	5,197,508	6,295,930	6,472,833	7,006,003	11,276,641	9,637,093	13,299,200	16,978,590	18,589,685
BALANCE AT END OF YEAR	$27,061,565	$27,934,578	$28,856,203	$29,268,505	$34,775,774	$36,137,002	$37,200,301	$40,799,487	$49,015,825	$53,960,337
UNAPPROPRIATED UNDISTRIBUTED SUBS. EARNINGS										
BALANCE AT BEGINNING OF YEAR	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EQUITY IN EARNINGS FOR YEAR	0	0	0	0	0	0	0	0	0	0
DIVIDENDS RECEIVED	0	0	0	0	0	0	0	0	0	0
OTHER CHANGES	0	0	0	0	0	0	0	0	0	0
BALANCE AT END OF YEAR	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

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AUGUST 31, 1987

WASHINGTON NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF NET GAS OPERATING INCOME

STATEMENT OF NET GAS OPERATING INCOME	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES										
RESIDENTIAL SALES	$67,767,050	$73,363,081	$85,856,399	$107,130,269	$112,027,469	$138,617,617	$124,063,497	$138,250,313	$153,913,883	$128,940,493
COMMERCIAL SALES	30,505,377	55,918,289	65,349,056	85,800,107	89,321,666	109,428,731	100,170,970	114,091,305	123,425,567	98,198,560
INDUSTRIAL SALES	77,828,543	66,380,548	84,300,105	96,585,364	109,884,766	95,864,184	94,381,164	112,762,841	108,713,133	73,736,625
OTHER SALES	6,009,390	0	5,463,596	63,637	0	460,619	0	0	0	0
OTHER GAS REVENUES	2,264,606	2,322,026	2,345,580	2,594,871	3,306,020	3,563,195	3,782,005	4,085,318	4,552,852	13,776,174
TOTAL OPERATING REVENUES	184,374,966	197,983,944	243,314,736	292,174,248	314,539,921	347,934,346	322,397,636	369,189,777	390,605,435	314,651,852
OPERATING EXPENSES										
PRODUCTION:										
MANUFACTURED GAS	17,756	30,519	32,118	35,015	63,788	39,740	44,400	74,307	120,293	99,476
NATURAL GAS	127,466,315	135,786,620	173,306,728	212,739,069	221,082,702	245,400,317	218,488,375	245,481,994	245,359,694	180,670,225
UNDERGROUND STORAGE	210,945	186,950	204,207	301,408	251,531	249,743	253,832	347,390	279,374	263,037
OTHER STORAGE	0	0	0	0	0	0	0	0	0	0
TRANSMISSION	46,391	41,832	43,603	57,624	40,339	87,005	67,913	71,394	277,653	130,325
DISTRIBUTION	5,767,294	6,476,759	7,870,034	9,722,092	9,450,311	10,258,793	10,795,384	11,608,050	12,995,935	12,445,263
CUSTOMER ACCOUNTS	3,500,094	3,912,786	4,649,376	5,262,402	6,053,694	6,904,088	7,345,678	6,973,421	7,887,484	7,622,893
CUSTOMER SERVICE & INFORMATIONAL EXPENSES	0	0	0	0	0	0	0	0	384,070	4,428,804
SALES	2,125,049	2,306,845	3,329,484	4,080,519	4,073,027	4,470,154	4,540,827	5,468,859	6,724,193	2,831,969
ADMINISTRATIVE AND GENERAL	4,630,561	5,236,686	6,236,873	6,614,604	7,473,558	8,283,296	8,931,297	11,247,600	12,973,875	14,830,641
WEATHERIZATION	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION AND MAINT. EXPENSES	143,764,405	153,978,997	195,672,423	238,812,733	248,488,950	275,693,136	250,467,706	281,273,015	287,002,571	223,322,633
DEPRECIATION	5,619,178	6,629,972	7,076,845	7,715,268	8,600,784	9,949,168	10,887,817	11,498,336	13,363,128	14,647,502
AMORTIZATION	0	0	0	0	0	0	0	0	0	0
TAXES OTHER THAN INCOME TAXES	16,891,091	18,667,014	21,341,923	25,036,194	26,736,976	31,567,511	31,007,763	35,314,308	36,401,384	31,129,175
INCOME TAXES - FEDERAL	915,614	140,229	(374,619)	(1,122,455)	544,858	2,111,167	(823,778)	8,327,856	13,126,505	11,716,038
- OTHER	0	0	0	0	0	0	0	0	0	0
PROV. FOR DEFERRED INCOME TAXES	2,074,060	2,817,927	1,534,483	1,618,637	3,988,607	2,553,262	5,479,128	1,492,382	2,630,299	2,414,418
INCOME TAXES DEFERRED IN PRIOR YEARS (CR)	0	0	0	0	0	0	0	0	0	0
INVESTMENT TAX CREDIT ADJ. - NET	873,536	1,029,599	1,869,485	2,115,732	1,486,021	1,507,027	1,672,900	1,372,371	1,957,413	(707,326)
GAINS OR LOSSES FROM DISPOSITION OF UTILITY	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	170,137,884	183,263,738	227,120,540	274,176,109	289,846,196	323,381,271	298,691,536	339,278,268	354,481,300	282,522,440
NET GAS OPERATING INCOME	$14,237,082	$14,720,206	$16,194,196	$17,998,139	$24,693,725	$24,553,075	$23,706,100	$29,911,509	$36,124,135	$32,129,412
OPERATING GAS REVENUES BY PERCENT										
RESIDENTIAL SALES	36.76%	37.06%	35.29%	36.67%	35.62%	39.84%	38.48%	37.45%	39.40%	40.98%
COMMERCIAL SALES	16.55	28.24	26.86	29.37	28.40	31.45	31.07	30.90	31.60	31.21
INDUSTRIAL SALES	42.21	33.53	34.65	33.06	34.94	27.55	29.27	30.54	27.83	23.43
OTHER SALES	3.26	0.00	2.25	0.02	0.00	0.13	0.00	0.00	0.00	0.00
OTHER GAS REVENUES	1.23	1.17	0.96	0.89	1.05	1.02	1.17	1.11	1.17	4.38
TOTAL OPERATING GAS REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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WASHINGTON NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF CHANGES IN FINANCIAL POSITION

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
SOURCES OF FUNDS										
NET INCOME	$6,625,981	$6,070,521	$7,217,555	$6,885,135	$12,513,272	$12,637,869	$10,700,392	$16,898,386	$25,194,928	$23,534,197
PRINCIPAL NON-CASH CHARGES (CREDITS) TO INCOME:										
DEPRECIATION & DEPLETION	5,752,298	6,755,907	7,216,025	7,868,033	8,515,081	9,915,671	10,931,980	11,546,055	13,398,020	14,706,100
AMORTIZATION	31,704	31,704	0	0	0	0	0	0	0	0
PROV. FOR DEF. OR FUTURE INCOME TAXES (NET)	1,978,852	2,817,927	1,544,242	1,521,142	3,824,924	2,398,574	5,332,614	1,324,089	2,448,342	4,346,618
INVESTMENT TAX CREDIT ADJUSTMENTS	873,536	1,029,599	1,869,485	2,115,732	1,486,021	1,507,027	1,672,900	1,372,371	1,957,413	(707,326)
OTHER (NET)	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDS FROM OPERATIONS	15,262,371	16,705,658	17,847,307	18,390,042	26,339,298	26,459,141	28,637,886	31,140,901	42,998,703	41,879,589
FUNDS FROM OUTSIDE SOURCES (NEW MONEY):										
LONG-TERM DEBT	8,100,000	0	15,125,000	0	9,700,000	28,355,000	10,230,000	0	895,000	40,480,000
PREFERRED STOCK	0	0	0	93,000	5,167,636	0	0	9,700,000	0	0
COMMON STOCK	225,299	259,393	6,639,795	5,871,162	500,000	910,022	208,163	5,760,029	2,981,607	3,241,878
NET INCREASE IN SHORT-TERM DEBT	100,000	17,000,000	0	12,500,000	216,718	0	706,370	0	0	0
OTHER (NET)	166,511	77,461	137,485	197,680	0	533,835	0	1,022,743	482,637	685,408
TOTAL FUNDS FROM OUTSIDE SOURCES	8,591,810	17,336,854	21,902,280	18,661,842	15,584,354	29,798,857	11,144,533	16,482,772	4,359,244	44,407,286
SALE OF NON-CURRENT ASSETS	17,663	0	0	0	0	0	0	0	0	0
CONTRIBUTIONS FROM ASSOC. & SUBS. COMPANIES	0	8,355,746	283,317	10,713,954	9,412,432	1,877,995	2,682,769	4,920,977	5,618,810	1,628,962
OTHER (NET)	6,702,800	0	7,505,975	6,163,324	10,848,030	4,658,276	13,314,977	10,795,865	26,480,543	35,284,352
TOTAL SOURCES OF FUNDS	$30,574,644	$42,398,258	$47,538,879	$53,929,162	$62,184,114	$62,794,269	$55,780,165	$63,340,515	$79,457,300	$123,200,189
APPLICATION OF FUNDS										
CONSTRUCTION & PLANT EXPENDITURES (INCL.LAND):										
GROSS ADD. TO UTIL. PLANT (LESS NUCLEAR FUEL)	$11,246,358	$15,149,279	$21,348,327	$25,700,904	$22,857,478	$22,829,286	$25,126,858	$26,233,909	$35,536,718	$44,330,251
GROSS ADDITIONS TO NUCLEAR FUEL	0	0	0	0	0	0	0	0	0	0
GROSS ADDITIONS TO COMMON UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
GROSS ADDITIONS TO NONUTILITY PLANT	0	0	0	0	0	0	0	0	0	0
OTHER	0	0	0	0	0	0	0	0	0	0
TOTAL APPLIC. TO CONST. & PLANT EXPEND.	11,246,358	15,149,279	21,348,327	25,700,904	22,857,478	22,829,286	25,126,858	26,233,909	35,536,718	44,330,251
DIVIDENDS ON PREFERRED STOCK	842,939	820,127	799,393	782,908	865,829	2,245,606	2,225,091	2,549,051	3,473,928	3,454,344
DIVIDENDS ON COMMON STOCK	4,089,390	4,377,381	5,496,537	5,689,925	6,140,174	9,031,035	7,412,002	10,750,149	13,504,662	15,135,341
FUNDS FOR RETIREMENT OF SEC. & SHORT TERM DEBT:										
LONG-TERM DEBT	3,799,000	2,539,000	300,000	2,491,000	4,911,000	325,000	166,000	12,544,000	10,770,000	3,511,000
PREFERRED STOCK	323,400	311,300	350,600	300,000	6,700	326,400	273,500	0	290,300	300,000
REDEMPTION OF CAPITAL STOCK	0	0	0	0	0	0	0	0	0	0
NET DECREASE IN SHORT-TERM DEBT	0	0	2,000,000	0	0	19,000,000	9,000,000	0	0	0
OTHER (NET)	0	0	109,764	73,780	105,417	122,081	0	160,507	35,138	0
PURCHASE OF OTHER NON-CURRENT ASSETS	0	0	0	0	0	0	0	0	0	0
INVEST. IN & ADVANCES TO ASSOC. & SUB. COM.	355,796	(4,347,134)	0	9,919,099	9,034,317	1,667,238	0	0	422,633	10,000,000
OTHER (NET)	9,917,761	23,548,305	17,134,258	8,971,546	18,263,199	7,247,623	11,576,714	11,102,899	15,423,921	46,469,253
TOTAL APPLICATION OF FUNDS	$30,574,644	$42,398,258	$47,538,879	$53,929,162	$62,184,114	$62,794,269	$55,780,165	$63,340,515	$79,457,300	$123,200,189

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WASHINGTON NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
PLANT, PRODUCTION AND SALES STATISTICS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS PLANT IN SERVICE AND HELD FOR FUTURE USE -- END OF YEAR										
INTANGIBLE PLANT	$166,152	$166,152	$166,152	$166,152	$166,152	$166,152	$166,152	$166,152	$166,152	$166,152
PRODUCTION AND STORAGE PLANT	11,430,728	9,943,785	10,861,647	10,947,776	11,174,430	11,122,370	11,914,132	11,939,928	11,944,324	11,990,797
TRANSMISSION AND DISTRIBUTION PLANT	198,092,660	198,092,662	227,565,114	248,030,163	265,730,716	283,950,923	301,653,423	323,019,216	351,066,853	382,502,214
GENERAL PLANT	10,384,508	10,384,509	10,908,693	11,817,941	15,267,850	16,366,611	18,620,017	20,371,838	25,286,561	32,045,072
TOTAL GAS PLANT IN SERVICE	220,074,048	218,587,108	249,501,606	270,962,032	292,339,148	311,606,056	332,353,724	355,497,134	388,463,890	426,704,235
PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0	0	0
LESS: ACCUM.PROV. FOR DEPR.& AMORT.- GAS	43,029,101	48,291,454	53,711,832	59,571,587	64,903,656	72,818,260	79,982,330	89,004,329	100,157,044	111,646,622
NET GAS PLANT	$177,044,947	$170,295,654	$195,789,774	$211,390,445	$227,435,492	$238,787,796	$252,371,394	$266,492,805	$288,306,846	$315,057,613
CONSTRUCTION WORK IN PROGRESS	$1,486,942	$3,872,422	$1,214,978	$3,041,626	$1,239,888	$2,649,680	$2,975,538	$2,974,350	$2,963,517	$5,397,781
ANNUAL GAS PURCH., PROD. & DISBURSED(THERMS)										
GAS PRODUCED	0	0	0	0	0	0	0	0	0	0
GAS PURCHASED	731,329,000	696,811,000	723,058,000	626,918,000	605,831,000	567,747,000	551,562,000	620,321,000	674,770,000	582,606,000
TOTAL GAS PRODUCED & PURCHASED	731,329,000	696,811,000	723,058,000	626,918,000	605,831,000	567,747,000	551,562,000	620,321,000	674,770,000	582,606,000
GAS TRANSPORTED OR COMPRESSED FOR OTHERS	0	0	0	0	0	0	0	0	0	0
GAS USED BY COMPANY	381,000	258,000	285,000	372,000	316,000	585,000	376,000	577,000	585,000	563,000
GAS SOLD	713,422,000	677,319,000	719,166,000	623,925,000	593,055,000	557,193,000	530,864,000	609,757,000	659,264,000	588,717,000
GAS UNACCOUNTED FOR	17,526,000	19,234,000	3,607,000	2,621,000	12,460,000	9,969,000	20,322,000	9,987,000	14,921,000	(6,674,000)
GAS DELIVERED TO (FROM) STORAGE	0	0	0	0	0	0	0	0	0	0
UNACCOUNTED FOR TO TOTAL PRODUCED & PURCHASED	2.40	2.76	0.50	0.42	2.06	1.76	3.68	1.61	2.21	(1.15)
% DEPR/AMORT EXP TO TOTAL GAS PLANT IN SERV.	2.55	3.03	2.84	2.85	2.94	3.19	3.28	3.23	3.44	3.43
% NET GAS UTILITY OPR. INC. TO NET GAS PLANT	8.04	8.64	8.27	8.51	10.86	10.28	9.39	11.22	12.53	10.20
TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	28,384,492	28,909,968	29,721,335	30,751,443	31,429,804	31,852,980	31,784,101	32,243,686	32,807,954	33,517,431
NO.OF METERS IN SERV.& HELD IN RESERVE (AVE.)	255,024	261,983	265,843	268,588	273,450	278,179	282,255	284,958	298,306	302,976
NUMBER OF CUSTOMERS - AVERAGE	226,033	230,915	236,645	244,322	250,553	252,318	254,683	260,718	268,397	273,134
AVERAGE B.T.U. CONTENT PER CU. FT.	1,043	1,046	1,048	1,057	1,054	1,055	1,043	1,050	1,045	1,034

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WASHINGTON NATURAL GAS COMPANY ** TOTAL COMPANY OPERATIONS **
SALES STATISTICS FOR GAS OPERATIONS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS SERVICE REVENUES										
RESIDENTIAL SALES	$67,767,050	$73,363,081	$85,856,399	$107,130,269	$112,027,469	$138,617,617	$124,063,497	$138,250,313	$153,913,883	$128,940,493
COMMERCIAL SALES	30,505,377	55,918,290	65,349,056	85,800,107	89,321,666	109,428,731	100,170,970	114,091,305	123,425,567	98,198,560
INDUSTRIAL SALES	77,828,543	66,380,548	84,300,105	96,585,364	109,884,766	95,864,184	94,381,164	112,762,841	108,713,133	73,736,625
SALES FOR RESALE	6,009,390	0	5,463,596	63,637	0	460,619	0	0	0	0
TOTAL GAS SERVICE REVENUES	$182,110,360	$195,661,919	$240,969,156	$289,579,377	$311,233,901	$344,371,151	$318,615,631	$365,104,459	$386,052,583	$300,875,678
THERMS OF GAS SOLD										
RESIDENTIAL SALES	219,990,556	215,849,580	217,739,739	208,715,657	189,003,166	207,707,699	184,086,914	206,093,853	236,413,995	216,706,192
COMMERCIAL SALES	100,513,949	189,683,327	191,194,033	184,170,013	170,292,010	179,230,660	167,986,155	191,040,284	211,683,430	193,203,148
INDUSTRIAL SALES	368,619,633	271,785,625	290,719,004	230,866,346	233,760,031	169,322,415	178,791,248	212,623,325	211,166,147	178,807,846
SALES FOR RESALE	24,298,402	0	19,512,844	173,399	0	932,428	0	0	0	0
TOTAL THERMS OF GAS SOLD	713,422,540	677,318,532	719,165,620	623,925,415	593,055,207	557,193,202	530,864,317	609,757,462	659,263,572	588,717,186
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH										
RESIDENTIAL SALES	201,429	206,064	211,059	218,160	223,930	225,484	227,687	233,063	239,911	248,543
COMMERCIAL SALES	23,150	24,212	24,899	25,425	24,668	24,535	24,578	25,166	25,795	26,599
INDUSTRIAL SALES	1,454	639	687	737	1,955	2,298	2,418	2,489	2,691	2,728
SALES FOR RESALE	0	0	0	0	0	1	0	0	0	0
TOTAL GAS CUSTOMERS	226,033	230,915	236,645	244,322	250,553	252,318	254,683	260,718	268,397	277,870
AVE. GAS SERVICE REVENUE/THERM SOLD (CENTS)										
RESIDENTIAL SALES	30.80	33.99	39.43	51.33	59.27	66.74	67.39	67.08	65.10	59.50
COMMERCIAL SALES	30.35	29.48	34.18	46.59	52.45	61.05	59.63	59.72	58.31	50.83
INDUSTRIAL SALES	21.11	24.42	29.00	41.84	47.01	56.62	52.79	53.03	51.48	41.24
SALES FOR RESALE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	25.53	28.89	33.51	46.41	52.48	61.80	60.02	59.88	58.56	51.11
AVERAGE GAS SERVICE REVENUE PER CUSTOMER										
RESIDENTIAL SALES	$336	$356	$407	$491	$500	$615	$545	$593	$642	$519
COMMERCIAL SALES	1,318	2,310	2,625	3,375	3,621	4,460	4,076	4,534	4,785	3,692
INDUSTRIAL SALES	53,527	103,882	122,708	131,052	56,207	41,716	39,033	45,304	40,399	27,030
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	806	847	1,018	1,185	1,242	1,365	1,251	1,400	1,438	1,083
AVERAGE THERMS OF GAS SOLD PER CUSTOMER										
RESIDENTIAL SALES	1,092	1,047	1,032	957	844	921	809	884	985	872
COMMERCIAL SALES	4,342	7,834	7,679	7,244	6,903	7,305	6,835	7,591	8,206	7,264
INDUSTRIAL SALES	253,521	425,330	423,172	313,251	119,570	73,683	73,942	85,425	78,471	65,545
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	3,156	2,933	3,039	2,554	2,367	2,208	2,084	2,339	2,456	2,119

NOTE: One therm is equal to 100,000 B.T.U.

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WASHINGTON WATER POWER COMPANY ** TOTAL COMPANY OPERATIONS **
BALANCE SHEET -- ASSETS AND OTHER DEBITS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
UTILITY PLANT										
UTILITY PLANT	$549,605,523	$588,179,375	$620,011,273	$653,617,126	$686,313,779	$716,987,107	$823,890,759	$1,036,979,384	$1,108,239,862	$1,238,520,434
CONSTRUCTION WORK IN PROGRESS	39,039,405	57,574,089	78,727,986	119,624,512	223,125,779	391,708,495	392,954,161	260,604,557	284,950,363	18,129,319
TOTAL UTILITY PLANT	588,644,928	645,753,464	698,739,259	773,241,638	909,439,558	1,108,695,602	1,216,844,920	1,297,583,941	1,393,190,225	1,256,649,753
LESS ACCUM. PROV. FOR DEPR.AMORT. & DEPL.	110,463,473	119,240,316	126,356,891	136,886,104	148,260,533	160,282,890	167,239,642	186,571,668	205,583,543	221,577,039
NET UTILITY PLANT	478,181,455	526,513,148	572,382,368	636,355,534	761,179,025	948,412,712	1,049,605,278	1,111,012,273	1,187,606,682	1,035,072,714
GAS STORED UNDERGROUND - NONCURRENT	0	0	0	0	0	0	0	0	0	0
UTILITY PLANT ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0
OTHER PROPERTY AND INVESTMENTS										
NONUTIL. PROP.(LESS ACCUM. DEPR.& AMORT.)	80,461	75,547	952,752	903,189	370,791	948,005	1,347,263	1,164,685	975,924	2,635,863
INVESTMENT IN ASSOCIATED COMPANIES	0	0	0	0	0	0	0	0	0	0
INVESTMENT IN SUBSIDIARY COMPANIES	23,860,372	23,423,254	26,273,432	29,434,194	31,279,111	33,453,499	35,826,213	41,582,174	46,906,146	50,019,693
OTHER INVESTMENTS	513,108	541,582	1,003,549	3,327,336	10,264,514	15,189,589	16,725,531	11,537,788	10,344,651	134,197,391
SPECIAL FUNDS	15,000	5,000	5,000	5,000	0	0	0	0	0	0
TOTAL OTHER PROPERTY AND INVESTMENTS	24,468,941	24,045,383	28,234,733	33,669,719	41,914,416	49,591,093	53,899,007	54,284,647	58,226,721	186,852,947
CURRENT AND ACCRUED ASSETS										
CASH	226,934	266,558	420,940	814,930	770,762	1,247,607	186,080	1,627,146	1,844,245	250,151
SPECIAL DEPOSITS	130	130	130	130	0	0	0	0	0	0
WORKING FUNDS	93,959	97,826	107,740	117,785	252,343	260,024	254,791	266,089	287,036	263,020
TEMPORARY CASH INVESTMENTS	0	0	0	0	1,450,612	0	0	0	7,000,000	19,500,000
NOTES & ACCTS. REC.(LESS PROV. FOR UNCOLL. ACCTS.)	14,369,149	18,411,566	25,487,068	22,003,625	26,982,153	35,141,310	35,517,205	39,505,500	43,263,504	50,640,431
RECEIVABLES FROM ASSOC. COMPANIES	0	0	0	22,629	1,113,456	1,296,998	32,272	106,692	97,874	66,236
MATERIALS AND SUPPLIES	4,536,720	7,028,151	8,437,547	10,701,100	9,994,422	13,314,047	14,036,311	12,766,274	10,686,613	20,542,114
GAS STORED UNDERGROUND - CURRENT	212,633	212,633	189,237	189,479	189,479	0	4,953,162	1,808,103	3,281,630	4,136,047
LIQUEFIED NATURAL GAS STORED	0	0	0	0	0	189,479	189,479	189,479	189,479	189,479
PREPAYMENTS	495,314	441,593	225,855	108,652	66,827	266,005	363,915	236,923	478,268	934,180
ADVANCES FOR GAS EXPLORATION, DEV. & PRODUCTION	0	0	0	0	0	0	0	0	0	0
OTHER ADVANCES FOR GAS	0	0	0	0	0	0	0	0	0	0
INTEREST AND DIVIDENDS RECEIVABLE	7,761	7,527	7,231	7,316	97,685	822,750	12,782	580,989	325,000	294,601
RENTS RECEIVABLE	35,573	35,116	135,252	(149)	3,334	7,681	101,152	117,041	87,150	70,327
ACCRUED UTILITY REVENUES	0	0	0	0	0	0	0	0	0	0
MISC. CURRENT AND ACCRUED ASSETS	38,312	37,794	36,472	59,638	69,727	123,298	112,148	5,717	343,120	(151,730)
TOTAL CURRENT AND ACCRUED ASSETS	20,016,485	26,538,894	35,047,472	34,025,135	40,990,800	52,669,199	55,759,297	57,209,953	67,883,919	96,734,856
DEFERRED DEBITS										
UNAMORTIZED DEBT EXPENSE	2,024,315	1,894,785	1,766,614	1,643,620	2,942,975	2,762,248	3,714,601	4,976,376	4,792,563	15,219,341
EXTRAORDINARY PROPERTY LOSSES	0	0	0	0	0	0	0	0	28,284,648	17,038,170
PRELIM. SURVEY & INVESTIGATION CHARGES	506,587	769,462	3,049,373	7,159,655	7,012,025	9,639,695	10,496,180	11,019,748	11,118,834	11,113,233
CLEARING ACCOUNTS	81,150	254,997	55,301	260,564	28,855	43,049	217,800	81,088	(305,399)	38,332
TEMPORARY FACILITIES	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS DEFERRED DEBITS	1,762,422	1,259,223	2,719,682	2,589,435	2,893,756	6,056,445	53,544,532	52,842,237	27,328,175	26,241,440
DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
RESEARCH, DEVELOPMENT & DEMO. EXPENDITURES	0	241	25,776	0	0	322	0	0	0	4,779
UNAMORTIZED LOSS ON REACQUIRED DEBT	0	0	0	0	0	0	75,844	73,105	70,577	2,771,493
ACCUMULATED DEFERRED INCOME TAXES	0	0	0	0	0	0	0	0	0	3,199,209
UNRECOVERED PURCHASED GAS COSTS	0	0	0	0	0	0	0	0	0	0
TOTAL DEFERRED DEBITS	4,374,474	4,178,708	7,616,746	11,653,274	12,877,611	18,501,759	68,048,957	68,992,554	71,289,398	75,625,997
TOTAL ASSETS AND OTHER DEBITS	$527,041,355	$581,276,133	$643,281,319	$715,703,662	$856,961,852	$1,069,174,763	$1,227,312,539	$1,291,499,427	$1,385,006,720	$1,394,286,514

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WASHINGTON WATER POWER COMPANY ** TOTAL COMPANY OPERATIONS **
BALANCE SHEET -- LIABILITIES AND OTHER CREDITS

PROPRIETARY CAPITAL	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
COMMON STOCK ISSUED	$136,006,927	$158,834,373	$162,117,606	$194,438,531	$238,666,478	$316,185,662	$362,031,658	$377,502,647	$393,230,127	$405,857,092
PREFERRED STOCK ISSUED	0	25,000,000	25,000,000	55,000,000	70,000,000	95,000,000	95,000,000	140,000,000	185,000,000	175,000,000
CAPITAL STOCK SUBSCRIBED	0	0	0	0	0	0	0	0	0	0
STOCK LIABILITY FOR CONVERSION	0	0	0	0	0	0	0	0	0	0
PREMIUM ON CAPITAL STOCK	0	0	0	0	0	0	0	0	2	0
OTHER PAID-IN CAPITAL	0	0	0	0	0	0	0	(167,319)	(167,319)	(684,033)
INSTALLMENTS RECEIVED ON CAPITAL STOCK	61,887	65,651	57,498	66,173	82,475	52,746	49,805	25,950	35,456	10,310
DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0	0	0
CAPITAL STOCK EXPENSE	0	(441,156)	(441,156)	(957,870)	(1,379,508)	(1,858,296)	(2,016,200)	(2,395,787)	(3,417,057)	(6,348,759)
RETAINED EARNINGS	38,316,198	47,935,651	51,631,827	50,518,711	59,945,063	68,946,475	77,774,374	76,332,592	82,926,052	37,577,895
UNAPP. UNDISTRIBUTED SUBSIDIARY EARNINGS	6,861,783	7,559,253	9,409,431	12,220,193	14,005,170	16,171,568	17,441,219	18,584,636	23,886,864	27,000,411
REACQUIRED CAPITAL STOCK	0	0	0	0	0	0	0	0	0	0
TOTAL PROPRIETARY CAPITAL	181,246,795	238,953,772	247,775,206	311,285,738	381,319,678	494,498,155	550,280,856	609,882,719	681,494,125	638,412,916
LONG TERM DEBT										
BONDS	287,512,000	279,558,000	278,364,000	277,668,000	316,838,000	355,588,000	410,135,000	469,493,000	531,131,000	554,283,000
ADVANCES FROM ASSOCIATED COMPANIES	0	0	0	0	0	0	0	0	0	0
OTHER LONG-TERM DEBT	0	15,000,000	65,000,000	75,338,420	89,050,111	120,892,394	157,461,121	83,055,688	8,249,356	37,097,359
UNAMORTIZED PREMIUM ON LONG-TERM DEBT	855,161	804,690	754,008	704,886	655,727	609,521	575,456	541,227	506,923	473,778
UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	0	0	0	0	0	0	(428,387)	(620,197)	(583,257)	(150,582)
TOTAL LONG-TERM DEBT	288,367,161	295,362,690	344,118,008	353,711,306	406,543,838	477,089,915	567,743,190	552,469,718	539,304,022	591,703,555
CURRENT AND ACCRUED LIABILITIES										
NOTES PAYABLE	28,000,000	0	0	0	0	0	0	0	0	0
ACCOUNTS PAYABLE	8,159,992	13,601,190	19,721,904	15,034,133	21,048,064	20,088,054	17,849,112	18,186,523	16,423,195	10,302,708
PAYABLES TO ASSOCIATED COMPANIES	800,445	325,821	453,000	742,468	590,443	2,134,841	2,203,300	1,537,069	8,342	84,529
CUSTOMER DEPOSITS	70,673	76,048	133,341	123,712	143,975	241,963	303,306	455,336	674,730	821,460
TAXES ACCRUED	6,035,274	14,902,177	8,255,546	5,474,068	9,925,303	10,983,076	6,617,124	7,976,399	14,476,271	15,121,426
INTEREST ACCRUED	4,119,929	4,006,971	4,205,156	4,954,259	4,319,336	12,017,130	15,945,628	17,556,094	17,470,716	14,402,429
DIVIDENDS DECLARED	0	0	0	0	0	0	0	0	0	0
MATURED LONG TERM DEBT	0	0	0	0	0	0	0	0	0	0
MATURED INTEREST	0	0	0	0	0	0	0	0	0	0
TAX COLLECTIONS PAYABLE	25,681	29,068	23,338	24,778	33,823	36,445	23,757	24,605	17,215	(17,549)
MISC. CURRENT & ACCRUED LIABILITIES	2,382,307	2,587,595	2,923,330	3,200,050	3,446,083	3,135,793	4,245,630	4,869,975	5,124,356	5,498,667
OBLIGATIONS UNDER CAPITAL LEASES--CURRENT	0	0	0	0	0	0	0	606,330	482,571	344,880
TOTAL CURRENT AND ACCRUED LIABILITIES	49,594,301	35,528,870	35,715,615	29,553,468	39,507,027	48,637,302	47,187,857	51,212,331	54,677,396	46,558,550
DEFERRED CREDITS										
CUSTOMER ADVANCES FOR CONSTRUCTION	408,728	384,802	315,292	245,443	167,891	239,555	485,386	442,176	467,070	555,251
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	5,551,924	9,176,523	14,127,094	19,208,718	27,149,072	43,751,956	39,317,877	44,817,671	57,784,795	65,067,717
DEFERRED GAINS FROM DISP.OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
OTHER DEFERRED CREDITS	1,872,446	1,869,476	1,230,104	1,698,989	1,504,817	2,225,386	2,715,928	941,288	4,405,042	9,682,592
UNAMORTIZED GAIN ON REACQUIRED DEBT	0	0	0	0	0	0	0	0	0	0
ACCUMULATED DEFERRED INCOME TAXES	0	0	0	0	769,529	2,732,494	19,581,445	30,689,765	46,190,816	41,626,720
TOTAL DEFERRED CREDITS	7,833,098	11,430,801	15,672,490	21,153,150	29,591,309	48,949,391	62,100,636	76,890,900	108,847,723	116,932,280
OTHER NONCURRENT LIABILITIES										
OBLIGATIONS UNDER CAPITAL LEASES--NONCURRENT	0	0	0	0	0	0	0	1,043,759	683,456	679,213
ACCUMULATED OPERATING RESERVES	0	0	0	0	0	0	0	0	0	
ACCUMULATED PROVISIONS FOR RATE REFUNDS	0	0	0	0	0	0	0	0	0	
TOTAL OTHER NONCURRENT LIABILITIES	0	0	0	0	0	0	0	1,043,759	683,456	679,213
TOTAL LIABILITIES AND OTHER CREDITS	$527,041,355	$581,276,133	$643,281,319	$715,703,662	$856,961,852	$1,069,174,763	$1,227,312,539	$1,291,499,427	$1,385,006,722	$1,394,286,514

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WASHINGTON WATER POWER COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF INCOME

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
UTILITY OPERATING INCOME										
OPERATING REVENUES	$168,972,640	$206,685,285	$256,091,644	$290,462,615	$317,660,605	$346,852,831	$338,812,374	$413,310,280	$459,453,595	$389,866,588
OPERATING EXPENSES:										
OPERATION EXPENSES	110,184,531	124,282,855	173,803,058	207,181,472	208,987,701	211,354,945	210,973,929	232,979,071	248,027,823	182,829,357
MAINTENANCE EXPENSES	5,757,977	7,365,099	8,435,707	9,527,227	8,971,394	10,494,687	9,424,554	15,802,275	16,138,792	14,411,535
DEPRECIATION EXPENSE	10,307,204	11,292,368	12,286,085	13,030,621	14,091,770	15,272,381	16,234,317	23,849,291	26,702,530	30,966,832
AMORT. & DEPL. OF UTILITY PLANT	4,197	4,197	4,197	4,197	4,197	4,197	4,197	4,197	4,197	13,822
AMORT. OF UTILITY PLANT ACQ. ADJ.	0	0	0	0	0	0	0	0	0	0
AMORT. OF PROPERTY LOSSES	0	0	0	0	0	0	0	0	2,213,485	2,940,828
AMORT. OF CONVERSION EXPENSES	0	0	0	0	0	0	0	0	0	0
TAXES OTHER THAN INCOME TAXES	13,110,074	14,442,887	15,468,199	15,296,126	17,676,369	20,470,053	24,270,492	30,584,734	32,533,354	33,656,064
INCOME TAXES - FEDERAL	(1,720,460)	5,997,374	942,234	(1,032,116)	1,738,005	1,897,236	(9,020,264)	693,529	6,281,839	6,934,804
- OTHER	95,811	417,973	304,731	180,638	770,177	303,895	(155,527)	619,885	765,162	818,774
PROVISION FOR DEFERRED INCOME TAXES	0	0	0	0	769,529	1,962,965	16,877,306	13,551,163	16,246,718	14,693,569
PROVISION FOR DEFERRED INCOME TAXES - CR.	0	0	0	0	0	0	0	0	727,553	(1,184,209)
INVESTMENT TAX CREDIT ADJ. - NET	2,600,889	3,624,599	4,950,571	5,081,624	7,940,354	12,390,643	(4,434,079)	5,499,794	12,992,269	7,307,711
GAINS FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
LOSSES FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
TOTAL UTILITY OPERATING EXPENSES	140,340,223	167,427,352	216,194,782	249,269,789	260,949,496	274,151,002	264,174,925	323,583,939	362,633,722	293,389,087
NET UTILITY OPERATING INCOME	28,632,417	39,257,933	39,896,862	41,192,826	56,711,109	72,701,829	74,637,449	89,726,341	96,819,873	96,477,501
OTHER INCOME AND DEDUCTIONS										
OTHER INCOME:										
NONUTILITY OPERATING INCOME	5,421	5,301	8,425	(8,746)	5,251	6,162	8,113	13,698	23,196	(112,217)
EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	4,888,234	3,288,970	3,816,878	4,798,762	5,184,116	5,773,146	6,104,751	5,356,027	5,302,228	3,113,547
INTEREST & DIVIDEND INCOME	610,618	116,828	90,431	109,665	6,292,232	6,546,481	1,845,108	2,097,485	1,311,430	1,922,072
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	1,419,433	1,680,097	1,597,628	2,231,800	6,142,951	10,249,339	19,991,351	18,078,748	20,209,717	12,929,517
MISCELLANEOUS NONOPERATING INCOME	40,356	1,200,651	110,628	104,221	555,330	427,675	65,340	76,282	280,812	166,743
GAIN ON DISPOSITION OF PROPERTY	1,880	94,088	60,334	14,197	584,104	58,723	80,895	16,748	74,386	70,612
TOTAL OTHER INCOME	6,965,942	6,385,935	5,684,324	7,249,899	18,763,984	23,061,526	28,095,558	25,638,988	27,201,769	18,090,274
OTHER INCOME DEDUCTIONS:										
LOSS ON DISPOSITION OF PROPERTY	10,331	4,901	99,251	22,800	25,877	312,282	916,103	95,057	34,413	1,360,324
MISCELLANEOUS AMORTIZATION	0	0	0	0	0	0	0	0	6,664	39,600
MISCELLANEOUS INCOME DEDUCTIONS	133,585	704,214	572,662	550,923	595,352	347,152	415,740	8,372,727	1,390,297	2,789,368
TOTAL OTHER INCOME DEDUCTIONS	143,916	709,115	671,913	573,723	621,229	659,434	1,331,843	8,467,784	1,431,374	4,189,292
TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS:										
TAXES OTHER THAN INCOME TAXES	0	0	0	0	0	0	0	3,469	19,424	33,683
INCOME TAXES - FEDERAL	75,934	342,884	(306,331)	(212,591)	2,948,704	5,241,143	(14,521)	52,635	25,087	(1,030,630)
- OTHER	3,301	13,328	(12,535)	(6,406)	181,780	182,354	(1,962)	2,522	919	(52,264)
PROVISION FOR DEFERRED INCOME TAXES	0	0	0	0	0	0	0	0	0	6,651,440
PROVISION FOR DEFERRED INCOME TAXES - CR.	0	0	0	0	0	0	0	(2,442,843)	(18,144)	(3,558,124)
INVESTMENT TAX CREDIT ADJ. - NET	0	0	0	0	0	0	0	0	0	0
INVESTMENT TAX CREDITS	0	0	0	0	0	0	0	0	(25,145)	(24,789)
TOTAL TAXES ON OTHER INCOME & DEDUCTIONS	79,235	356,212	(318,866)	(218,997)	3,130,484	5,423,497	(16,483)	(2,384,217)	2,141	2,019,316
NET OTHER INCOME & DEDUCTIONS	$6,742,791	$5,320,608	$5,331,277	$6,895,173	$15,012,271	$16,978,595	$26,780,198	$19,555,421	$25,768,254	$11,881,666

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WASHINGTON WATER POWER COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF INCOME (CONTINUED)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
INTEREST CHARGES										
INTEREST ON LONG-TERM DEBT	$18,395,834	$18,913,337	$21,971,737	$25,222,979	$33,899,554	$40,214,773	$50,753,640	$54,451,811	$54,206,260	$52,843,788
AMORT. OF DEBT DISC. AND EXPENSE	133,358	129,530	128,171	122,994	400,368	610,683	581,549	387,950	751,105	645,552
AMORT. OF LOSS IN REACQUIRED DEBT	0	0	0	0	0	0	0	2,739	2,528	10,544
AMORT. OF PREMIUM ON DEBT-CREDIT	(50,963)	(50,471)	(50,682)	(49,122)	(49,159)	(46,206)	(34,065)	(34,229)	(34,304)	(33,145)
AMORT. OF GAIN ON REACQUIRED DEBT-CREDIT	0	0	0	0	0	0	0	0	0	(9,062)
INTEREST ON DEBT TO ASSOC. COMPANIES	0	27,652	66,072	91,892	311,559	505,263	242,127	178,748	22,137	0
OTHER INTEREST EXPENSE	(1,514,202)	(2,148,974)	(3,768,898)	(6,341,319)	(8,584,345)	(10,450,027)	1,682,078	390,516	668,878	304,609
ALLOW. FOR BORROWED FUNDS USED DURING CONSTN.	0	0	0	0	0	0	(19,514,922)	(12,012,377)	(12,975,369)	(7,817,462)
NET INTEREST CHARGES	16,964,027	16,871,074	18,346,400	19,047,424	25,977,977	30,834,486	33,710,407	43,365,158	42,641,235	45,944,824
INCOME BEFORE EXTRAORDINARY ITEMS	18,411,181	27,707,467	26,881,739	29,040,575	45,745,403	58,845,938	67,707,240	65,916,604	81,401,968	62,414,343
EXTRAORDINARY ITEMS										
NET EXTRAORDINARY ITEMS	0	0	0	0	0	0	0	0	0	(55,492,221)
LESS: INCOME TAXES - FEDERAL AND OTHER	0	0	0	0	0	0	0	0	0	(22,635,696)
EXTRAORDINARY ITEMS AFTER TAXES	0	0	0	0	0	0	0	0	0	(32,856,525)
NET INCOME	$18,411,181	$27,707,467	$26,881,739	$29,040,575	$45,745,403	$58,845,938	$67,707,240	$65,916,604	$81,401,968	$29,557,818

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WASHINGTON WATER POWER COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF UNAPPROPRIATED RETAINED EARNINGS, AND UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
STATEMENT OF UNAPPROPRIATED RET. EARNINGS										
BALANCE AT BEGINNING OF YEAR	$36,758,568	$35,605,901	$45,767,394	$49,049,783	$48,478,707	$58,447,099	$67,990,648	$76,818,547	$75,376,765	$81,970,225
CREDITS:										
BALANCE TRANSFERRED FROM INCOME	13,522,946	24,418,497	23,064,860	24,241,813	40,561,287	53,072,791	61,602,489	60,560,577	76,099,739	26,444,271
MISCELLANEOUS CREDITS	2,059,000	3,133,540	2,508,740	2,530,040	3,941,179	4,148,886	5,790,927	4,212,610	0	0
TOTAL CREDITS	15,581,946	27,552,037	25,573,600	26,771,853	44,502,466	57,221,677	67,393,416	64,773,187	76,099,739	26,444,271
DEBITS:										
APPROPRIATIONS OF RETAINED EARNINGS	0	0	0	0	0	0	0	0	0	0
DIVIDENDS DECLARED - COMMON STOCK	14,024,315	15,984,294	18,804,134	21,549,929	27,800,610	37,223,378	45,790,440	50,825,139	52,857,044	54,374,242
DIVIDENDS DECLARED - PREFERRED STOCK	0	1,406,250	2,531,250	5,793,000	6,733,464	10,454,750	11,819,250	15,389,830	16,649,235	17,418,186
MISCELLANEOUS DEBITS	0	0	0	0	0	0	0	0	0	0
TOTAL DEBITS	14,024,315	17,390,544	21,335,384	27,342,929	34,534,074	47,678,128	57,609,690	66,214,969	69,506,279	71,792,428
BALANCE AT END OF YEAR	$38,316,199	$45,767,394	$50,005,610	$48,478,707	$58,447,099	$67,990,648	$77,774,374	$75,376,765	$81,970,225	$36,622,068
UNAPPROPRIATED UNDISTRIBUTED SUBS. EARNINGS										
BALANCE AT BEGINNING OF YEAR	$4,032,548	$6,861,783	$7,559,253	$9,409,431	$12,220,193	$14,005,170	$16,171,568	$17,441,219	$18,584,636	$23,886,864
EQUITY IN EARNINGS FOR YEAR	4,888,235	3,288,970	3,816,878	4,798,762	5,184,116	5,773,146	6,104,751	5,356,027	5,302,228	3,113,547
DIVIDENDS RECEIVED	2,059,000	2,591,500	1,966,700	1,988,000	3,514,500	3,606,800	4,835,100	4,082,500	0	0
OTHER CHANGES	0	0	0	0	115,361	52	0	(130,110)	0	0
BALANCE AT END OF YEAR	$6,861,783	$7,559,253	$9,409,431	$12,220,193	$14,005,170	$16,171,568	$17,441,219	$18,584,636	$23,886,864	$27,000,411

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WASHINGTON WATER POWER COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF NET GAS OPERATING INCOME

STATEMENT OF NET GAS OPERATING INCOME	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES										
RESIDENTIAL SALES	$22,875,567	$23,956,430	$27,046,027	$31,123,682	$31,191,145	$38,927,430	$34,781,657	$38,375,063	$39,288,754	$29,389,330
COMMERCIAL SALES	16,485,768	18,297,712	21,927,023	26,666,165	27,680,769	36,274,868	33,058,539	35,438,863	35,712,502	26,182,539
INDUSTRIAL SALES	34,334,422	42,487,242	57,276,327	72,441,310	62,084,107	59,199,259	51,995,289	55,509,890	51,194,683	23,982,515
OTHER SALES	3,543,417	0	12,213,553	2,351,385	0	483,703	0	0	0	0
OTHER GAS REVENUES	360,957	415,762	2,642	1,221	43,163	3,896	744,702	1,665,043	2,498,056	6,007,188
TOTAL OPERATING REVENUES	77,599,631	85,157,146	118,465,572	132,583,763	120,999,184	134,889,156	120,580,187	130,988,859	128,693,995	85,561,572
OPERATING EXPENSES										
PRODUCTION:										
MANUFACTURED GAS	0	0	0	0	0	0	0	0	0	0
NATURAL GAS	59,875,451	68,584,600	97,886,193	113,540,045	101,618,960	109,764,226	93,491,804	98,780,938	95,547,062	47,053,800
UNDERGROUND STORAGE	258,990	242,323	270,783	370,770	297,894	327,636	303,766	452,142	372,172	326,862
OTHER STORAGE	0	0	0	0	0	0	0	0	0	0
TRANSMISSION	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION	1,139,899	1,220,340	1,438,865	1,406,177	1,517,805	1,462,522	1,315,970	1,515,752	1,630,144	1,689,015
CUSTOMER ACCOUNTS	1,165,074	1,051,593	1,226,506	1,299,682	1,638,681	2,091,645	2,105,946	2,002,711	2,108,532	2,551,988
CUSTOMER SERVICE & INFORMATIONAL EXPENSES	0	229,257	423,031	365,604	353,174	366,601	342,611	393,819	494,953	480,523
SALES	46,734	39,523	38,234	79,886	127,652	128,588	172,284	283,085	407,426	325,070
ADMINISTRATIVE AND GENERAL	2,420,757	3,034,880	3,341,215	3,711,647	4,466,649	5,167,043	5,183,069	5,808,451	6,170,486	5,815,071
WEATHERIZATION	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION AND MAINT. EXPENSES	64,906,905	74,402,516	104,624,827	120,773,811	110,020,815	119,308,261	102,915,450	109,236,898	106,730,775	58,242,329
DEPRECIATION	1,743,244	1,862,102	1,849,763	1,971,680	2,049,645	2,175,167	2,338,459	2,547,292	2,674,304	2,825,521
AMORTIZATION	0	0	0	0	0	0	0	0	0	0
TAXES OTHER THAN INCOME TAXES	3,166,187	3,438,085	4,016,386	4,173,870	4,315,109	5,201,555	5,660,105	6,165,478	6,123,663	5,132,515
INCOME TAXES - FEDERAL	2,070,609	931,538	1,714,623	718,703	(132,487)	1,401,918	120,367	2,500,110	3,078,312	330,067
- OTHER	17,740	81,200	54,773	30,370	143,928	(26,250)	(23,304)	62,910	31,024	40,547
PROV. FOR DEFERRED INCOME TAXES	0	0	0	0	26,861	94,207	135,573	174,993	239,770	301,173
INCOME TAXES DEFERRED IN PRIOR YEARS (CR)	0	0	0	0	0	0	0	0	0	0
INVESTMENT TAX CREDIT ADJ. - NET	29,197	60,664	179,954	82,708	208,220	288,493	(106,341)	100,109	216,066	253,974
GAINS OR LOSSES FROM DISPOSITION OF UTILITY	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	71,933,882	80,776,105	112,440,326	127,751,142	116,632,091	128,443,351	111,040,309	120,787,790	119,079,979	67,126,126
NET GAS OPERATING INCOME	$5,665,749	$4,381,041	$6,025,246	$4,832,621	$4,367,093	$6,445,805	$9,539,878	$10,201,069	$9,614,016	$18,435,446
OPERATING GAS REVENUES BY PERCENT										
RESIDENTIAL SALES	29.48%	28.13%	22.83%	23.47%	25.78%	28.86%	28.85%	29.30%	30.53%	34.35%
COMMERCIAL SALES	21.24	21.49	18.51	20.11	22.88	26.89	27.42	27.05	27.75	30.60
INDUSTRIAL SALES	44.25	49.89	48.35	54.64	51.31	43.89	43.12	42.38	39.78	28.03
OTHER SALES	4.57	0.00	10.31	1.77	0.00	0.36	0.00	0.00	0.00	0.00
OTHER GAS REVENUES	0.47	0.49	0.00	0.00	0.04	0.00	0.62	1.27	1.94	7.02
TOTAL OPERATING GAS REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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WASHINGTON WATER POWER COMPANY ** WASHINGTON OPERATIONS ONLY **
STATEMENT OF NET GAS OPERATING INCOME

STATEMENT OF NET GAS OPERATING INCOME	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES										
RESIDENTIAL SALES	$18,641,062	$19,564,611	$22,038,745	$25,211,028	$25,272,576	$31,419,974	$28,017,703	$31,041,467	$31,563,022	$23,468,048
COMMERCIAL SALES	12,280,766	13,663,853	16,257,497	19,699,090	20,380,537	26,872,016	24,567,521	27,383,967	27,414,176	19,891,356
INDUSTRIAL SALES	17,651,536	23,022,941	33,672,033	39,208,959	35,762,616	37,682,097	34,742,637	36,307,529	34,210,793	17,135,695
OTHER SALES	2,228,455	0	7,892,398	1,530,552	0	323,936	0	0	0	0
OTHER GAS REVENUES	228,168	262,475	2,140	1,165	27,848	1,727	477,604	1,201,067	1,784,088	4,817,647
TOTAL OPERATING REVENUES	51,029,987	56,513,880	79,862,813	85,650,794	81,443,577	96,299,750	87,805,465	95,934,030	94,972,079	65,312,746
OPERATING EXPENSES										
PRODUCTION:										
MANUFACTURED GAS	0	0	0	0	0	0	0	0	0	0
NATURAL GAS	36,972,718	42,997,189	62,976,285	71,068,742	65,925,181	76,394,456	66,789,677	70,369,774	68,568,403	34,607,908
UNDERGROUND STORAGE	162,878	152,299	174,980	241,371	189,877	219,418	194,655	326,128	258,288	229,916
OTHER STORAGE	0	0	0	0	0	0	0	0	0	0
TRANSMISSION	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION	816,521	876,178	1,020,586	1,019,063	1,059,036	1,026,720	888,782	1,043,601	1,090,317	1,148,958
CUSTOMER ACCOUNTS	882,169	798,773	942,222	991,312	1,263,073	1,637,402	1,658,590	1,549,818	1,640,097	1,959,700
CUSTOMER SERVICE & INFORMATIONAL EXPENSES	0	182,670	325,822	271,052	257,487	270,817	255,897	293,908	372,540	377,489
SALES	34,541	28,779	28,712	61,156	98,251	98,566	133,182	197,714	284,052	191,623
ADMINISTRATIVE AND GENERAL	1,927,397	2,307,946	2,650,651	2,910,634	3,329,188	3,962,945	4,129,568	4,668,867	4,912,753	4,536,737
WEATHERIZATION	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION AND MAINT. EXPENSES	40,796,224	47,343,834	68,119,258	76,563,330	72,122,093	83,610,324	74,050,351	78,449,810	77,126,450	43,052,331
DEPRECIATION	1,309,114	1,390,958	1,384,341	1,475,017	1,522,252	1,623,035	1,738,119	1,923,182	2,004,109	2,118,122
AMORTIZATION	0	0	0	0	0	0	0	0	0	0
TAXES OTHER THAN INCOME TAXES	2,861,000	3,089,779	3,734,749	3,961,454	4,063,417	4,959,312	5,374,459	5,859,834	5,798,365	4,768,362
INCOME TAXES - FEDERAL	1,667,705	992,870	1,599,206	310,465	125,237	1,128,785	71,497	1,860,735	2,751,929	667,471
- OTHER	0	0	0	0	0	0	0	0	0	0
PROV. FOR DEFERRED INCOME TAXES	0	0	0	0	0	0	98,875	126,357	0	0
INCOME TAXES DEFERRED IN PRIOR YEARS (CR)	0	0	0	0	0	0	0	0	0	0
INVESTMENT TAX CREDIT ADJ. - NET	23,515	41,178	114,378	45,829	138,599	186,307	(59,217)	77,548	(26,329)	(33,209)
GAINS OR LOSSES FROM DISPOSITION OF UTILITY	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	46,657,558	52,858,619	74,951,932	82,356,095	77,971,598	91,507,763	81,274,034	88,297,466	87,654,524	50,573,077
NET GAS OPERATING INCOME	$4,372,429	$3,655,261	$4,910,881	$3,294,699	$3,471,979	$4,791,987	$6,531,381	$7,636,564	$7,317,555	$14,739,669
OPERATING GAS REVENUES BY PERCENT										
RESIDENTIAL SALES	36.53%	34.62%	27.60%	29.43%	31.03%	32.63%	31.91%	32.36%	33.23%	35.93%
COMMERCIAL SALES	24.07	24.18	20.36	23.00	25.02	27.90	27.98	28.54	28.87	30.46
INDUSTRIAL SALES	34.59	40.74	42.16	45.78	43.91	39.13	39.57	37.85	36.02	26.24
OTHER SALES	4.37	0.00	9.88	1.79	0.00	0.34	0.00	0.00	0.00	0.00
OTHER GAS REVENUES	0.45	0.46	0.00	0.00	0.03	0.00	0.54	1.25	1.88	7.38
TOTAL OPERATING GAS REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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WASHINGTON WATER POWER COMPANY ** TOTAL COMPANY OPERATIONS **
STATEMENT OF CHANGES IN FINANCIAL POSITION

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
SOURCES OF FUNDS										
NET INCOME	$18,953,221	$28,249,507	$27,423,779	$29,582,615	$46,287,443	$59,388,075	$67,707,240	$65,916,604	$81,401,968	$62,414,343
PRINCIPAL NON-CASH CHARGES (CREDITS) TO INCOME:										
DEPRECIATION & DEPLETION	10,529,182	11,553,141	12,618,343	13,405,896	14,641,376	15,920,089	16,875,632	24,522,578	27,392,539	31,679,305
AMORTIZATION	133,358	129,529	128,171	122,994	351,209	564,476	2,057,402	2,051,028	5,048,149	6,702,977
PROV. FOR DEF. OR FUTURE INCOME TAXES (NET)	0	0	0	0	769,529	1,962,965	16,877,306	13,551,163	15,501,051	16,602,676
INVESTMENT TAX CREDIT ADJUSTMENTS	2,600,889	3,624,599	(479,845)	(3,626,141)	(7,280,526)	(5,947,089)	(43,940,352)	(24,591,331)	12,967,124	7,282,922
OTHER (NET)	(6,335,219)	(5,164,053)	(2,392,218)	(3,352,802)	(2,211,656)	(2,694,002)	(1,151,499)	3,553,200	(107,993,592)	(23,860,526)
TOTAL FUNDS FROM OPERATIONS	25,881,431	38,392,723	37,298,230	36,132,562	52,557,375	69,194,514	58,425,729	85,003,242	34,317,238	38,407,354
FUNDS FROM OUTSIDE SOURCES (NEW MONEY):										
LONG-TERM DEBT	0	0	0	0	40,000,000	60,000,000	60,000,000	60,000,000	0	80,000,000
PREFERRED STOCK	0	25,000,000	0	30,000,000	15,000,000	25,000,000	0	70,000,000	45,000,000	20,000,000
COMMON STOCK	474,021	22,831,210	3,275,080	32,329,600	44,244,248	77,489,456	45,843,055	15,447,134	15,736,986	12,601,818
NET INCREASE IN SHORT-TERM DEBT	0	0	0	0	0	31,500,000	19,500,000	0	(17,500,000)	19,800,000
OTHER (NET)	62,199,032	44,000,000	65,000,000	86,000,000	13,798,567	(20,145,637)	10,203,844	10,951,661	5,317,837	84,003,727
TOTAL FUNDS FROM OUTSIDE SOURCES	62,673,053	91,831,210	68,275,080	148,329,600	113,042,815	173,843,819	135,546,899	156,398,795	48,554,821	216,405,545
SALE OF NON-CURRENT ASSETS	0	0	0	0	0	0	9,129,222	0	0	19,500,000
CONTRIBUTIONS FROM ASSOC. & SUBS. COMPANIES	0	0	0	0	0	0	0	0	0	0
OTHER (NET)	(4,369,863)	8,173,413	(13,775,818)	(5,074,406)	1,375,486	(4,080,898)	982,201	4,033,127	46,154	20,838,655
TOTAL SOURCES OF FUNDS	$84,184,621	$138,397,346	$91,797,492	$179,387,756	$166,975,676	$238,957,435	$204,084,051	$245,435,164	$82,918,213	$357,565,897
APPLICATION OF FUNDS										
CONSTRUCTION & PLANT EXPENDITURES (INCL.LAND):										
GROSS ADD. TO UTIL. PLANT (LESS NUCLEAR FUEL)	$46,738,306	$56,052,802	$53,268,108	$77,446,402	$139,504,342	$203,186,926	$166,930,490	$88,854,963	$103,581,796	$99,777,270
GROSS ADDITIONS TO NUCLEAR FUEL	0	0	0	0	0	0	1,008,132	361,895	399,557	(3,703,236)
GROSS ADDITIONS TO COMMON UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
GROSS ADDITIONS TO NONUTILITY PLANT	0	0	0	0	0	0	0	0	0	0
OTHER	0	0	0	(8,707,766)	(15,220,880)	(22,549,973)	(39,506,273)	(30,091,125)	(35,114,379)	(27,682,869)
TOTAL APPLIC. TO CONST. & PLANT EXPEND.	46,738,306	56,052,802	53,268,108	68,738,636	124,283,462	180,636,953	128,432,349	59,125,733	68,866,974	68,391,165
DIVIDENDS ON PREFERRED STOCK	0	1,406,250	2,531,250	5,793,000	6,733,464	10,454,750	11,819,250	15,389,830	0	17,418,186
DIVIDENDS ON COMMON STOCK	14,024,315	15,984,294	18,804,134	21,549,929	27,800,610	37,223,378	45,790,440	50,825,139	0	54,374,243
FUNDS FOR RETIREMENT OF SEC. & SHORT TERM DEBT:										
LONG-TERM DEBT	972,000	7,954,000	1,194,000	696,000	916,876	974,043	453,000	50,642,000	862,000	65,148,000
PREFERRED STOCK	0	0	0	0	0	0	0	25,000,000	0	30,000,000
REDEMPTION OF CAPITAL STOCK	0	0	0	0	0	0	0	0	0	0
NET DECREASE IN SHORT-TERM DEBT	0	0	0	0	0	0	0	33,500,000	0	0
OTHER (NET)	22,000,000	57,000,000	15,000,000	82,210,191	0	0	122,162	33,847	124,168	79,541,191
PURCHASE OF OTHER NON-CURRENT ASSETS	0	0	0	0	0	0	0	0	0	0
INVEST. IN & ADVANCES TO ASSOC. & SUB. COM.	450,000	0	1,000,000	400,000	275,000	145,000	1,321,215	4,564,710	21,743	0
OTHER (NET)	0	0	0	0	6,966,264	9,523,311	16,145,635	6,353,905	13,043,328	42,693,115
TOTAL APPLICATION OF FUNDS	$84,184,621	$138,397,346	$91,797,492	$179,387,756	$166,975,676	$238,957,435	$204,084,051	$245,435,164	$82,918,213	$357,565,900

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WASHINGTON WATER POWER COMPANY ** TOTAL COMPANY OPERATIONS **
PLANT, PRODUCTION AND SALES STATISTICS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS PLANT IN SERVICE AND HELD FOR FUTURE USE -- END OF YEAR										
INTANGIBLE PLANT	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
PRODUCTION AND STORAGE PLANT	10,053,410	11,001,497	12,294,524	12,659,275	13,407,215	13,440,819	13,322,916	13,373,942	13,372,749	13,384,578
TRANSMISSION AND DISTRIBUTION PLANT	58,656,458	59,884,612	62,692,092	64,601,810	66,508,572	67,778,634	69,345,763	72,073,590	74,750,864	79,851,262
GENERAL PLANT	7,748,251	7,963,747	9,062,722	9,770,956	10,523,053	11,532,152	12,723,608	14,301,226	17,128,796	814,230
TOTAL GAS PLANT IN SERVICE	76,458,119	78,849,856	84,049,338	87,032,041	90,438,840	92,751,605	95,392,287	99,748,758	105,252,409	94,050,070
PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0	0	0
LESS: ACCUM.PROV. FOR DEPR.& AMORT.- GAS	16,289,413	17,908,231	19,416,587	21,238,628	23,300,956	25,332,945	27,480,628	30,024,905	28,225,180	30,268,271
NET GAS PLANT	$60,168,706	$60,941,625	$64,632,751	$65,793,413	$67,137,884	$67,418,660	$67,911,659	$69,723,853	$60,683,163	$63,781,799
CONSTRUCTION WORK IN PROGRESS	$118,451	$313,812	$187,359	$257,471	$39,654	$92,691	$717,208	$109,922	$251,997	$261,701
ANNUAL GAS PURCH., PROD. & DISBURSED(THERMS)										
GAS PRODUCED	0	0	0	0	0	0	0	0	0	0
GAS PURCHASED	334,705,379	342,374,500	408,152,410	334,701,708	278,848,710	254,831,953	241,170,391	246,881,271	267,028,147	196,314,496
TOTAL GAS PRODUCED & PURCHASED	334,705,379	342,374,500	408,152,410	334,701,708	278,848,710	254,831,953	241,170,391	246,881,271	267,028,147	196,314,496
GAS TRANSPORTED OR COMPRESSED FOR OTHERS	0	0	0	0	0	0	0	0	0	0
GAS USED BY COMPANY	0	0	0	0	0	0	0	0	0	0
GAS SOLD	318,894,078	337,909,724	411,656,889	336,375,558	278,199,504	257,035,126	227,303,042	254,407,326	264,653,380	184,951,495
GAS UNACCOUNTED FOR	2,926,148	4,464,776	(3,504,479)	(1,673,850)	649,206	(2,203,173)	229,024	793,058	964,262	5,885,330
GAS DELIVERED TO (FROM) STORAGE	12,885,153	0	0	0	0	0	13,639,325	(8,319,113)	4,570,329	5,477,671
UNACCOUNTED FOR TO TOTAL PRODUCED & PURCHASED	0.87	1.30	-0.86	0.50	0.23	0.86	0.09	0.32	0.36	3.00
% DEPR/AMORT EXP TO TOTAL GAS PLANT IN SERV.	2.28	2.36	2.20	2.27	2.27	2.35	2.45	2.55	2.54	3.00
% NET GAS UTILITY OPR. INC. TO NET GAS PLANT	9.41	7.19	9.32	7.35	6.50	9.56	14.05	14.63	15.84	28.90
TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	10,732,988	10,898,811	11,134,061	11,300,883	11,433,447	11,487,693	11,600,496	11,758,944	11,941,744	12,266,467
NO.OF METERS IN SERV.& HELD IN RESERVE (AVE.)	75,802	75,464	77,385	79,030	79,883	80,564	80,673	83,650	85,674	86,169
NUMBER OF CUSTOMERS - AVERAGE	72,576	72,973	73,869	75,752	75,408	75,540	75,420	76,788	78,089	80,566
AVERAGE B.T.U. CONTENT PER CU. FT.	1,060	1,060	1,050	1,051	1,052	1,056	1,047	1,043	1,043	1,016

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WASHINGTON WATER POWER COMPANY ** WASHINGTON OPERATIONS ONLY **
PLANT, PRODUCTION AND SALES STATISTICS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS PLANT IN SERVICE AND HELD FOR FUTURE USE -- END OF YEAR										
INTANGIBLE PLANT	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
PRODUCTION AND STORAGE PLANT	6,322,590	6,914,440	7,944,721	8,241,189	8,545,759	9,001,318	8,537,326	9,646,625	9,280,688	13,384,578
TRANSMISSION AND DISTRIBUTION PLANT	45,446,273	46,304,442	48,418,365	49,695,255	50,897,002	51,839,124	53,005,409	54,978,507	56,844,451	60,864,802
GENERAL PLANT	5,788,358	5,793,441	6,687,499	7,183,894	7,791,543	8,462,320	9,497,392	10,722,924	12,792,611	504,565
TOTAL GAS PLANT IN SERVICE	57,557,221	59,012,323	63,050,585	65,120,338	67,234,304	69,302,762	71,040,127	75,348,056	78,917,750	74,753,945
PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0	0	0
LESS: ACCUM.PROV. FOR DEPR.& AMORT.- GAS	12,394,591	13,528,924	14,706,906	16,021,901	17,468,172	19,042,463	20,583,714	22,728,348	24,373,232	25,323,218
NET GAS PLANT	$45,162,630	$45,483,399	$48,343,679	$49,098,437	$49,766,132	$50,260,299	$50,456,413	$52,619,708	$54,544,518	$49,430,727
CONSTRUCTION WORK IN PROGRESS	$85,984	$240,672	$138,888	$181,518	$32,636	$77,234	$533,426	$68,873	$0	$0
ANNUAL GAS PURCH., PROD. & DISBURSED(THERMS)										
GAS PRODUCED	0	0	0	0	0	0	0	0	0	0
GAS PURCHASED	210,965,503	214,617,674	237,013,425	204,914,216	180,939,351	177,755,057	174,197,373	175,557,272	189,357,670	149,055,707
TOTAL GAS PRODUCED & PURCHASED	210,965,503	214,617,674	237,013,425	204,914,216	180,939,351	177,755,057	174,197,373	175,557,272	189,357,670	149,055,707
GAS TRANSPORTED OR COMPRESSED FOR OTHERS	0	0	0	0	0	0	0	0	0	0
GAS USED BY COMPANY	0	0	0	0	0	0	0	0	0	0
GAS SOLD	196,271,414	211,542,262	239,265,917	205,960,453	180,519,138	178,931,161	161,931,709	180,895,706	190,378,353	140,014,179
GAS UNACCOUNTED FOR	1,808,936	3,075,412	(2,252,492)	(1,046,237)	420,213	(1,176,104)	2,413,980	662,142	815,790	4,882,497
GAS DELIVERED TO (FROM) STORAGE	12,885,153	0	0	0	0	0	9,851,684	(6,000,576)	3,545,650	4,159,031
UNACCOUNTED FOR TO TOTAL PRODUCED & PURCHASED	0.86	1.43	-0.95	-0.51	0.23	-0.66	1.39	0.38	2.25	3.28
% DEPR/AMORT EXP TO TOTAL GAS PLANT IN SERV.	2.27	2.36	2.20	2.27	2.26	2.34	2.45	2.55	2.54	2.83
% NET GAS UTILITY OPR. INC. TO NET GAS PLANT	9.68	8.04	10.16	6.71	6.98	9.53	12.94	14.51	13.42	29.82
TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	8,051,270	8,168,141	8,341,422	8,430,283	8,511,629	8,546,124	8,637,324	8,735,727	8,868,476	9,136,128
NO.OF METERS IN SERV.& HELD IN RESERVE (AVE.)	58,945	58,466	59,846	60,977	61,601	62,126	62,118	64,410	65,642	66,823
NUMBER OF CUSTOMERS - AVERAGE	56,138	56,459	57,156	58,526	58,137	58,207	58,098	59,074	59,966	61,815
AVERAGE B.T.U. CONTENT PER CU. FT.	1,060	1,060	1,050	1,051	1,052	1,056	1,047	1,043	1,043	1,016

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WASHINGTON WATER POWER COMPANY ** TOTAL COMPANY OPERATIONS **
SALES STATISTICS FOR GAS OPERATIONS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS SERVICE REVENUES										
RESIDENTIAL SALES	$22,875,567	$23,956,430	$27,046,027	$31,123,682	$31,191,145	$38,927,430	$34,781,657	$38,375,063	$39,288,754	$29,389,330
COMMERCIAL SALES	16,485,268	18,297,712	21,927,023	26,666,165	27,680,769	36,274,868	33,058,539	35,438,863	35,712,502	26,182,539
INDUSTRIAL SALES	34,334,422	42,487,242	57,276,327	72,441,311	62,084,107	59,199,259	51,995,289	55,509,890	51,194,683	23,982,515
SALES FOR RESALE	3,543,417	0	12,213,553	2,351,385	0	483,703	0	0	0	0
TOTAL GAS SERVICE REVENUES	$77,238,674	$84,741,384	$118,462,930	$132,582,543	$120,956,021	$134,885,260	$119,835,485	$129,323,816	$126,195,939	$79,554,384
THERMS OF GAS SOLD										
RESIDENTIAL SALES	77,899,842	76,267,725	77,181,471	67,655,410	60,877,323	65,228,586	57,064,240	65,488,162	70,302,830	58,334,976
COMMERCIAL SALES	65,489,786	67,382,160	71,074,049	64,355,264	60,037,540	66,792,014	60,191,840	66,714,945	70,373,317	58,576,250
INDUSTRIAL SALES	175,504,450	194,259,839	223,980,758	197,457,741	157,284,641	124,082,098	110,046,962	122,204,219	123,977,233	68,040,269
SALES FOR RESALE	12,885,153	0	39,420,611	6,907,143	0	932,428	0	0	0	0
TOTAL THERMS OF GAS SOLD	331,779,231	337,909,724	411,656,889	336,375,558	278,199,504	257,035,126	227,303,042	254,407,326	264,653,380	184,951,495
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH										
RESIDENTIAL SALES	64,044	64,134	64,601	65,963	65,503	65,502	65,180	66,210	67,121	69,145
COMMERCIAL SALES	8,224	8,540	8,964	9,488	9,611	9,746	9,958	10,315	10,702	11,157
INDUSTRIAL SALES	308	299	303	301	294	291	282	263	266	264
SALES FOR RESALE	0	0	0	0	0	1	0	0	0	0
TOTAL GAS CUSTOMERS	72,576	72,973	73,868	75,752	75,408	75,540	75,420	76,788	78,089	80,566
AVE. GAS SERVICE REVENUE/THERM SOLD (CENTS)										
RESIDENTIAL SALES	29.37	31.41	35.04	46.00	51.24	59.68	60.95	58.60	55.89	50.38
COMMERCIAL SALES	25.17	27.16	30.85	41.44	46.11	54.31	54.92	53.12	50.75	44.70
INDUSTRIAL SALES	19.56	21.87	25.57	36.69	39.47	47.71	47.25	45.42	41.29	35.25
SALES FOR RESALE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	23.28	25.08	28.78	39.42	43.48	52.48	52.72	50.83	47.68	43.01
AVERAGE GAS SERVICE REVENUE PER CUSTOMER										
RESIDENTIAL SALES	$357	$374	$419	$472	$476	$594	$534	$580	$585	$425
COMMERCIAL SALES	2,005	2,143	2,446	2,811	2,880	3,722	3,320	3,436	3,337	2,347
INDUSTRIAL SALES	111,475	142,098	189,031	240,669	211,170	203,434	184,380	211,064	192,461	90,843
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	1,064	1,161	1,604	1,750	1,604	1,786	1,589	1,684	1,616	987
AVERAGE THERMS OF GAS SOLD PER CUSTOMER										
RESIDENTIAL SALES	1,216	1,189	1,195	1,026	929	996	875	989	1,047	844
COMMERCIAL SALES	7,963	7,890	7,929	6,783	6,247	6,853	6,045	6,468	6,576	5,250
INDUSTRIAL SALES	569,820	649,698	739,210	656,006	534,982	426,399	390,237	464,655	466,080	257,728
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	4,571	4,631	5,573	4,440	3,689	3,403	3,014	3,313	3,389	2,296

NOTE: One therm is equal to 100,000 B.T.U.

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WASHINGTON WATER POWER COMPANY ** WASHINGTON OPERATIONS ONLY **
SALES STATISTICS FOR GAS OPERATIONS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS SERVICE REVENUES										
RESIDENTIAL SALES	$18,641,062	$19,564,611	$22,038,745	$25,211,028	$25,272,576	$31,419,974	$28,017,703	$31,041,467	$31,563,022	$23,468,048
COMMERCIAL SALES	12,280,767	13,663,853	16,257,554	19,699,090	20,380,537	26,872,016	24,567,521	27,383,967	27,414,176	19,891,356
INDUSTRIAL SALES	17,651,536	23,022,941	33,672,033	39,208,960	35,762,616	37,682,097	34,742,637	36,307,529	34,210,793	17,135,695
SALES FOR RESALE	3,543,417	0	0	0	0	323,936	0	0	0	0
TOTAL GAS SERVICE REVENUES	$52,116,782	$56,251,405	$71,968,332	$84,119,078	$81,415,729	$96,298,023	$87,327,861	$94,732,963	$93,187,991	$60,495,099
THERMS OF GAS SOLD										
RESIDENTIAL SALES	63,118,067	61,870,991	62,530,292	54,924,581	49,344,362	52,792,743	46,221,050	53,204,140	56,949,661	47,158,474
COMMERCIAL SALES	48,067,483	49,544,523	51,843,130	47,350,206	43,837,642	49,244,117	44,583,890	51,498,154	54,262,174	44,901,011
INDUSTRIAL SALES	85,085,864	100,126,748	124,892,495	103,685,666	87,337,134	76,269,854	71,126,769	76,193,412	79,166,518	47,954,694
SALES FOR RESALE	12,885,153	0	0	0	0	624,447	0	0	0	0
TOTAL THERMS OF GAS SOLD	209,156,567	211,542,262	239,265,917	205,960,453	180,519,138	178,931,161	161,931,709	180,895,706	190,378,353	140,014,179
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH										
RESIDENTIAL SALES	50,149	50,656	51,674	51,221	51,175	51,175	50,925	51,656	52,317	53,872
COMMERCIAL SALES	5,749	5,975	6,260	6,617	6,690	6,815	6,964	7,222	7,451	7,746
INDUSTRIAL SALES	240	235	240	235	226	216	209	196	198	197
SALES FOR RESALE	0	0	0	0	0	1	0	0	0	0
TOTAL GAS CUSTOMERS	56,138	56,866	58,174	58,073	58,091	58,207	58,098	59,074	59,966	61,815
AVE. GAS SERVICE REVENUE/THERM SOLD (CENTS)										
RESIDENTIAL SALES	29.53	31.62	35.24	45.90	51.22	59.52	60.62	58.34	55.42	49.76
COMMERCIAL SALES	25.55	27.58	31.36	41.60	46.49	54.57	55.10	53.17	50.52	44.30
INDUSTRIAL SALES	20.75	22.99	26.96	37.82	40.95	49.41	48.85	47.65	43.21	35.73
SALES FOR RESALE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	24.92	26.59	30.08	40.84	45.10	53.82	53.93	52.37	48.95	43.21
AVERAGE GAS SERVICE REVENUE PER CUSTOMER										
RESIDENTIAL SALES	$372	$386	$426	$492	$494	$614	$550	$601	$603	$436
COMMERCIAL SALES	2,136	2,287	2,597	2,977	3,046	3,943	3,528	3,792	3,679	2,568
INDUSTRIAL SALES	73,548	97,970	140,300	166,847	158,242	174,454	166,233	185,242	172,782	86,983
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	928	989	1,237	1,449	1,402	1,654	1,503	1,604	1,554	979
AVERAGE THERMS OF GAS SOLD PER CUSTOMER										
RESIDENTIAL SALES	1,259	1,221	1,210	1,072	964	1,032	908	1,030	1,089	875
COMMERCIAL SALES	8,361	8,292	8,282	7,156	6,553	7,226	6,402	7,131	7,283	5,797
INDUSTRIAL SALES	354,524	426,071	520,385	441,216	386,447	353,101	340,319	388,742	399,831	243,425
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	3,726	3,720	4,113	3,547	3,108	3,074	2,787	3,062	3,175	2,265

NOTE: One therm is equal to 100,000 B.T.U.

TOTAL: 1
AUGUST 31, 1987

TOTAL MAJOR GAS UTILITIES -- TOTAL COMPANY OPERATIONS
BALANCE SHEET -- ASSETS AND OTHER DEBITS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
UTILITY PLANT										
UTILITY PLANT	$1,136,497,758	$1,206,603,075	$1,291,637,260	$1,381,230,441	$1,475,959,021	$1,557,052,912	$1,711,698,942	$1,985,273,172	$2,113,566,383	$2,324,506,272
CONSTRUCTION WORK IN PROGRESS	41,836,060	62,350,264	81,169,419	127,485,753	225,276,231	394,918,207	396,636,330	264,567,536	290,759,029	26,533,597
TOTAL UTILITY PLANT	1,178,333,818	1,268,953,339	1,372,806,679	1,508,716,194	1,701,235,252	1,951,971,119	2,108,335,272	2,249,840,708	2,404,325,412	2,351,039,869
LESS ACCUM. PROV. FOR DEPR.AMORT. & DEPL.	224,456,723	247,895,919	270,580,321	298,459,854	326,731,649	359,819,910	387,913,858	432,950,744	475,706,302	522,247,705
NET UTILITY PLANT	953,877,095	1,021,057,420	1,102,226,358	1,210,256,340	1,374,503,603	1,592,151,209	1,720,421,414	1,816,889,964	1,928,619,110	1,828,792,164
GAS STORED UNDERGROUND - NONCURRENT	1,871,335	2,741,291	3,847,849	4,218,770	4,312,973	4,370,786	4,866,791	4,866,791	4,866,895	4,866,895
UTILITY PLANT ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0
OTHER PROPERTY AND INVESTMENTS										
NONUTIL. PROP.(LESS ACCUM. DEPR.& AMORT.)	257,716	78,142	1,626,044	4,313,776	3,825,970	4,299,473	4,673,885	4,411,847	4,121,201	6,585,355
INVESTMENT IN ASSOCIATED COMPANIES	0	0	0	0	0	0	0	0	0	0
INVESTMENT IN SUBSIDIARY COMPANIES	29,299,288	24,409,752	26,789,637	31,083,501	35,383,023	38,301,287	42,219,563	45,442,554	59,128,091	64,796,943
OTHER INVESTMENTS	594,063	581,304	1,029,315	3,339,155	10,279,833	15,247,896	17,059,609	12,140,503	11,530,620	135,556,697
SPECIAL FUNDS	1,819,432	10,500	325,000	5,000	0	33,300	2,755	2,755	0	0
TOTAL OTHER PROPERTY AND INVESTMENTS	31,970,499	25,079,698	29,769,996	38,741,432	49,488,826	57,881,956	63,955,812	61,997,659	74,779,912	206,938,995
CURRENT AND ACCRUED ASSETS										
CASH	4,829,066	5,462,589	8,489,702	8,263,708	5,774,748	3,687,181	2,923,475	8,902,746	11,991,641	5,062,600
SPECIAL DEPOSITS	1,127	1,127	2,403,897	3,627	3,497	997	997	992	5,992	5,457
WORKING FUNDS	178,436	185,573	204,872	209,693	375,399	363,767	344,301	374,607	388,265	379,993
TEMPORARY CASH INVESTMENTS	0	0	0	0	2,200,612	9,785,189	8,535,768	6,035,016	9,291,357	21,500,000
NOTES & ACCTS. REC.(LESS PROV. FOR UNCOLL. ACCTS.)	75,465,557	88,193,168	117,327,669	114,817,002	131,000,867	148,013,555	154,342,803	162,297,343	181,955,323	145,128,613
RECEIVABLES FROM ASSOC. COMPANIES	1,078	10,987,562	11,347,182	20,772,085	12,320,332	10,965,187	5,251,434	6,608,189	6,780,261	10,432,307
MATERIALS AND SUPPLIES	9,571,938	13,139,779	16,895,135	20,658,562	19,745,087	22,284,857	22,711,661	21,512,237	19,128,372	31,607,113
GAS STORED UNDERGROUND - CURRENT	212,633	212,633	189,237	189,479	189,479	0	7,261,661	4,233,059	5,017,538	5,855,777
LIQUEFIED NATURAL GAS STORED	2,698,501	4,501,993	5,717,998	7,585,188	8,661,616	9,714,127	9,768,446	8,368,167	8,284,152	6,384,185
PREPAYMENTS	3,964,364	1,254,632	1,018,708	2,221,317	1,254,706	3,101,346	3,959,562	4,556,238	6,432,976	9,682,573
ADVANCES FOR GAS EXPLORATION, DEV. & PRODUCTION	0	0	0	0	0	0	0	0	0	0
OTHER ADVANCES FOR GAS	0	0	0	0	0	0	0	0	0	0
INTEREST AND DIVIDENDS RECEIVABLE	34,202	7,527	7,231	7,316	97,951	1,168,554	31,623	580,989	332,930	295,545
RENTS RECEIVABLE	35,573	35,116	138,401	(149)	3,334	7,681	101,152	117,041	87,150	114,691
ACCRUED UTILITY REVENUES	2,786,807	3,736,077	3,427,942	3,610,446	4,805,041	4,771,951	5,898,501	5,504,837	5,454,729	22,004,455
MISC. CURRENT AND ACCRUED ASSETS	38,312	37,794	56,880	76,437	85,683	133,606	120,728	11,989	349,474	(140,713)
TOTAL CURRENT AND ACCRUED ASSETS	99,817,594	127,755,570	167,224,854	178,414,711	186,518,352	213,997,998	221,252,112	229,103,450	255,500,160	258,312,596
DEFERRED DEBITS										
UNAMORTIZED DEBT EXPENSE	5,216,365	4,734,950	4,359,203	4,016,888	5,907,563	6,473,141	7,885,963	8,590,044	8,575,119	22,136,831
EXTRAORDINARY PROPERTY LOSSES	1,862,639	1,067,835	598,325	128,816	6,537	0	0	0	28,532,564	17,186,918
PRELIM. SURVEY & INVESTIGATION CHARGES	516,235	779,110	3,052,408	7,159,655	7,012,025	9,784,740	10,496,180	11,019,748	11,118,834	11,113,233
CLEARING ACCOUNTS	189,018	479,000	313,737	486,916	57,674	72,892	210,696	253,319	151,466	758,803
TEMPORARY FACILITIES	0	0	0	22,038	0	0	0	0	0	0
MISCELLANEOUS DEFERRED DEBITS	6,640,894	8,563,432	11,528,817	14,378,436	18,536,078	28,504,452	83,634,569	73,200,725	47,000,822	52,091,662
DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
RESEARCH, DEVELOPMENT & DEMO. EXPENDITURES	0	241	25,776	0	4,540	13,595	19,500	0	0	4,779
UNAMORTIZED LOSS ON REACQUIRED DEBT	0	0	0	0	0	0	75,844	73,105	70,577	2,771,493
ACCUMULATED DEFERRED INCOME TAXES	1,605,182	2,008,833	2,322,706	2,225,211	2,061,527	1,906,839	1,760,354	1,300,295	1,118,810	3,972,259
UNRECOVERED PURCHASED GAS COSTS	6,891,000	10,453,000	10,587,642	9,196,765	13,449,423	13,670,840	16,349,303	16,185,201	12,863,849	(3,496,166)
TOTAL DEFERRED DEBITS	22,921,333	28,086,401	32,788,614	37,614,725	47,035,367	60,426,499	120,432,409	110,622,437	109,432,041	106,539,812
TOTAL ASSETS AND OTHER DEBITS	$1,110,457,856	$1,204,720,380	$1,335,857,671	$1,469,245,978	$1,661,859,121	$1,928,828,448	$2,130,928,538	$2,223,480,301	$2,373,198,118	$2,405,450,462

TOTAL: 2
AUGUST 31, 1987
TOTAL MAJOR GAS UTILITIES ** TOTAL COMPANY OPERATIONS **
BALANCE SHEET -- LIABILITIES AND OTHER CREDITS

PROPRIETARY CAPITAL	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
COMMON STOCK ISSUED	$176,349,116	$199,743,585	$189,314,553	$242,905,516	$290,668,933	$369,500,201	$416,632,782	$435,783,328	$454,310,660	$468,688,123
PREFERRED STOCK ISSUED	41,745,740	75,392,412	79,398,725	115,595,115	138,724,057	161,838,012	159,876,481	209,696,131	247,257,266	233,261,211
CAPITAL STOCK SUBSCRIBED	0	0	11,800,000	0	0	0	0	0	0	0
STOCK LIABILITY FOR CONVERSION	0	0	0	0	0	0	0	0	0	0
PREMIUM ON CAPITAL STOCK	51,621,316	54,495,186	69,936,392	76,501,549	85,797,565	89,817,770	93,800,837	103,597,783	116,259,455	124,550,788
OTHER PAID-IN CAPITAL	1,783,733	1,907,509	2,044,422	2,197,648	2,436,692	2,657,978	2,862,216	2,989,187	3,141,264	2,774,933
INSTALLMENTS RECEIVED ON CAPITAL STOCK	62,369	73,196	60,423	69,147	93,283	63,282	51,949	30,717	39,771	20,484
DISCOUNT ON CAPITAL STOCK	0	0	0	0	0	0	0	0	0	0
CAPITAL STOCK EXPENSE	(1,148,568)	(1,522,710)	(1,516,892)	(2,029,421)	(3,031,141)	(3,622,725)	(3,772,313)	(4,304,132)	(5,324,764)	(8,252,324)
RETAINED EARNINGS	105,494,922	118,918,267	132,096,993	134,351,908	151,634,759	164,081,294	174,138,013	186,281,158	208,969,292	168,537,624
UNAPP. UNDISTRIBUTED SUBSIDIARY EARNINGS	7,179,915	7,874,507	9,575,978	12,759,858	16,085,555	18,911,022	20,882,950	19,481,026	25,428,495	26,648,606
REACQUIRED CAPITAL STOCK	(34,200)	(45,500)	(96,100)	(3,100)	(9,800)	(44,836)	(9,700)	(9,700)	0	0
TOTAL PROPRIETARY CAPITAL	383,054,343	456,836,452	492,614,494	582,348,220	682,399,903	803,201,998	864,463,215	953,545,498	1,050,081,439	1,016,229,445
LONG TERM DEBT										
BONDS	515,644,000	500,663,500	506,645,850	502,743,090	558,209,282	593,351,370	655,735,984	693,658,426	756,670,980	832,796,044
ADVANCES FROM ASSOCIATED COMPANIES	0	0	0	0	0	0	0	0	0	0
OTHER LONG-TERM DEBT	32,395,000	46,943,000	106,515,000	117,734,420	124,231,111	222,655,394	261,786,121	176,800,688	97,456,356	128,076,737
UNAMORTIZED PREMIUM ON LONG-TERM DEBT	855,161	804,690	754,008	704,886	655,727	609,521	575,456	541,227	506,923	473,778
UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	0	0	0	0	0	0	(428,387)	(620,197)	(583,257)	(150,582)
TOTAL LONG-TERM DEBT	548,894,161	548,411,190	613,914,858	621,182,396	683,096,120	816,616,285	917,669,174	870,380,144	854,051,002	961,195,977
CURRENT AND ACCRUED LIABILITIES										
NOTES PAYABLE	51,300,000	35,000,000	34,700,000	53,000,000	55,525,000	25,700,000	16,000,000	34,000,000	58,000,000	47,650,000
ACCOUNTS PAYABLE	56,745,036	69,959,108	96,258,362	91,549,196	105,728,681	104,039,904	123,683,753	118,160,286	113,921,492	74,572,796
PAYABLES TO ASSOCIATED COMPANIES	800,445	1,962,208	440,601	11,914,736	2,728,394	2,605,554	2,306,751	6,558,171	10,040,732	349,415
CUSTOMER DEPOSITS	2,132,959	2,242,449	2,523,630	2,892,759	2,536,805	2,836,031	3,146,682	3,526,310	4,202,665	4,600,196
TAXES ACCRUED	16,740,006	28,787,356	21,335,756	13,381,492	17,789,419	19,790,596	11,325,842	22,709,823	28,042,319	27,956,716
INTEREST ACCRUED	9,359,577	9,555,697	10,302,192	12,117,767	13,082,031	25,493,132	30,501,412	31,844,421	31,221,826	28,925,907
DIVIDENDS DECLARED	724,860	754,623	712,365	795,180	1,018,244	1,028,230	1,049,082	1,136,873	1,289,941	1,298,826
MATURED LONG TERM DEBT	0	0	0	0	0	0	0	0	0	0
MATURED INTEREST	0	0	0	0	0	0	0	0	0	0
TAX COLLECTIONS PAYABLE	244,472	400,006	344,378	376,077	318,101	168,858	261,849	291,093	693,867	686,725
MISC. CURRENT & ACCRUED LIABILITIES	3,085,417	3,354,483	3,959,526	4,244,737	4,756,085	4,504,153	5,802,393	6,917,837	7,509,558	8,307,328
OBLIGATIONS UNDER CAPITAL LEASES--CURRENT	0	0	0	0	0	0	0	606,330	482,571	344,880
TOTAL CURRENT AND ACCRUED LIABILITIES	141,132,772	152,015,930	170,576,810	190,271,944	203,482,760	186,166,458	194,077,764	225,751,144	255,404,971	194,692,789
DEFERRED CREDITS										
CUSTOMER ADVANCES FOR CONSTRUCTION	790,934	661,204	607,861	3,287,205	3,303,844	3,499,781	3,702,616	3,706,208	1,266,829	1,447,550
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	16,990,954	23,320,649	32,754,766	42,665,073	55,493,498	75,837,039	75,313,322	84,668,105	101,233,668	106,991,723
DEFERRED GAINS FROM DISP.OF UTILITY PLANT	0	0	0	0	276,203	276,203	522,462	276,203	276,203	276,203
OTHER DEFERRED CREDITS	4,054,939	3,418,450	2,863,694	5,126,816	3,507,421	4,615,726	7,279,002	5,136,259	11,203,440	16,579,962
UNAMORTIZED GAIN ON REACQUIRED DEBT	0	0	0	0	0	0	0	0	0	0
ACCUMULATED DEFERRED INCOME TAXES	11,989,658	15,624,554	17,293,701	19,321,854	25,595,705	34,476,854	59,850,552	72,271,625	93,095,810	102,838,755
TOTAL DEFERRED CREDITS	33,826,485	43,024,857	53,520,022	70,400,948	88,176,671	118,705,603	146,667,954	166,058,400	207,075,950	228,134,193
OTHER NONCURRENT LIABILITIES										
OBLIGATIONS UNDER CAPITAL LEASES--NONCURRENT	0	0	0	0	0	0	0	1,043,759	683,456	679,213
ACCUMULATED OPERATING RESERVES	3,550,095	4,431,951	5,231,487	5,042,470	4,703,667	4,138,104	8,050,431	6,701,356	5,901,302	4,518,845
ACCUMULATED PROVISIONS FOR RATE REFUNDS	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER NONCURRENT LIABILITIES	3,550,095	4,431,951	5,231,487	5,042,470	4,703,667	4,138,104	8,050,431	7,745,115	6,584,758	5,198,058
TOTAL LIABILITIES AND OTHER CREDITS	$1,110,457,856	$1,204,720,380	$1,335,857,671	$1,469,245,978	$1,661,859,121	$1,928,828,448	$2,150,928,538	$2,223,480,301	$2,375,198,120	$2,405,450,462

TOTAL: 3
AUGUST 31, 1987

TOTAL MAJOR GAS UTILITIES ** TOTAL COMPANY OPERATIONS **
STATEMENT OF INCOME

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
UTILITY OPERATING INCOME										
OPERATING REVENUES	$693,715,234	$756,719,590	$948,012,944	$1,094,347,786	$1,182,796,961	$1,263,665,324	$1,210,713,049	$1,433,584,367	$1,480,768,875	$1,165,612,456
OPERATING EXPENSES:										
OPERATION EXPENSES	524,934,975	556,023,646	728,385,308	869,942,526	912,155,810	951,267,443	900,685,891	1,027,054,604	1,021,939,777	738,597,473
MAINTENANCE EXPENSES	11,187,010	13,407,989	15,942,421	18,824,343	18,768,343	20,456,231	19,458,945	25,638,730	26,433,003	26,359,742
DEPRECIATION EXPENSE	27,203,344	30,346,770	32,462,806	34,878,252	38,091,298	41,739,038	45,624,558	55,387,335	61,513,006	68,441,157
AMORT. & DEPL. OF UTILITY PLANT	4,197	4,197	4,197	4,197	4,197	4,197	4,197	4,197	4,197	13,822
AMORT. OF UTILITY PLANT ACQ. ADJ.	462,972	462,972	462,972	462,972	115,741	0	0	0	0	0
AMORT. OF PROPERTY LOSSES	758,938	331,832	6,537	6,537	6,537	6,537	0	0	2,258,119	3,039,996
AMORT. OF CONVERSION EXPENSES	0	0	0	0	0	0	0	0	0	0
TAXES OTHER THAN INCOME TAXES	46,119,365	49,718,251	55,771,383	61,583,013	67,382,667	77,862,372	82,118,901	97,456,414	101,299,192	92,454,197
INCOME TAXES - FEDERAL	4,957,555	12,393,658	10,309,200	3,145,358	6,120,189	6,847,928	(4,288,894)	26,750,951	35,279,905	27,190,325
- OTHER	1,242,771	1,644,812	2,000,374	1,290,730	1,821,986	1,164,639	1,377,884	3,616,054	3,475,114	2,352,617
PROVISION FOR DEFERRED INCOME TAXES	4,931,332	6,027,190	5,533,935	6,517,255	8,426,326	8,982,277	25,589,952	14,969,747	22,743,972	24,381,763
PROVISION FOR DEFERRED INCOME TAXES - CR.	(3,681,860)	(2,392,294)	(3,874,547)	(4,391,607)	(2,084,327)	0	0	(58,903)	659,996	936,622
INVESTMENT TAX CREDIT ADJ. - NET	6,022,476	6,476,677	9,663,449	10,231,616	13,268,137	16,466,092	(362,934)	9,523,669	17,532,545	5,980,931
GAINS FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
LOSSES FROM DISP. OF UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
TOTAL UTILITY OPERATING EXPENSES	624,143,075	674,445,700	856,668,035	1,002,495,192	1,064,076,904	1,124,796,754	1,070,208,500	1,260,342,798	1,293,138,826	989,748,645
NET UTILITY OPERATING INCOME	69,572,159	82,273,890	91,344,909	91,852,594	118,720,057	138,868,570	140,504,549	173,241,569	187,630,049	175,863,811
OTHER INCOME AND DEDUCTIONS										
OTHER INCOME:										
NONUTILITY OPERATING INCOME	1,005,320	918,744	1,676,940	3,041,056	5,320,232	4,622,249	2,846,699	3,317,672	5,122,343	4,602,983
EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	4,977,935	3,232,899	3,336,585	5,606,872	6,724,836	6,432,215	6,807,028	2,810,686	5,268,453	1,569,189
INTEREST & DIVIDEND INCOME	1,006,002	558,209	1,003,329	1,329,618	9,852,983	10,513,654	4,322,916	4,334,582	3,296,545	4,203,008
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	1,484,433	1,803,597	1,713,128	2,351,800	6,262,951	10,369,339	20,111,351	18,051,748	20,295,729	13,195,517
MISCELLANEOUS NONOPERATING INCOME	458,521	1,607,992	405,518	895,244	1,418,296	1,344,602	721,308	543,246	443,349	500,413
GAIN ON DISPOSITION OF PROPERTY	343,605	376,563	1,109,068	15,251	586,168	88,748	734,944	263,007	107,422	70,612
TOTAL OTHER INCOME	9,275,816	8,498,004	9,244,568	13,239,841	30,165,466	33,370,807	35,544,246	29,320,941	34,533,841	24,141,722
OTHER INCOME DEDUCTIONS:										
LOSS ON DISPOSITION OF PROPERTY	13,941	5,538	131,210	47,425	34,306	317,583	1,241,285	95,057	64,762	1,390,673
MISCELLANEOUS AMORTIZATION	31,704	31,704	0	0	0	0	0	31,082	440,460	39,600
MISCELLANEOUS INCOME DEDUCTIONS	749,292	1,104,100	988,672	1,012,054	1,136,013	916,973	1,030,033	9,785,619	2,532,474	4,196,901
TOTAL OTHER INCOME DEDUCTIONS	794,937	1,141,342	1,119,882	1,059,479	1,170,319	1,234,556	2,271,318	9,911,758	3,037,696	5,627,174
TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS:										
TAXES OTHER THAN INCOME TAXES	38,941	41,260	67,711	113,976	115,514	135,672	119,896	125,810	181,966	214,102
INCOME TAXES - FEDERAL	635,653	738,634	954,611	1,268,666	5,578,871	8,088,609	1,752,840	1,443,535	2,209,459	185,132
- OTHER	(23,976)	(13,426)	(37,368)	(29,029)	167,244	168,192	48,338	(58,547)	(68,142)	(201,696)
PROVISION FOR DEFERRED INCOME TAXES	0	0	0	0	95,535	53,560	106,125	60,365	70,273	6,918,608
PROVISION FOR DEFERRED INCOME TAXES - CR.	0	0	0	0	0	0	0	(2,442,843)	(18,144)	(3,558,124)
INVESTMENT TAX CREDIT ADJ. - NET	0	0	0	0	31,377	(1,031)	348	(2,310)	(250)	0
INVESTMENT TAX CREDITS	0	0	0	0	0	0	0	0	(25,145)	(24,789)
TOTAL TAXES ON OTHER INCOME & DEDUCTIONS	650,618	766,468	984,954	1,353,613	5,988,541	8,445,002	2,027,547	(873,990)	2,350,017	3,533,233
NET OTHER INCOME & DEDUCTIONS	$7,830,261	$6,590,194	$7,139,732	$10,826,749	$23,006,606	$23,691,249	$31,245,381	$20,283,173	$29,146,128	$14,981,315

TOTAL: 4
AUGUST 31, 1987

TOTAL MAJOR GAS UTILITIES ** TOTAL COMPANY OPERATIONS **
STATEMENT OF INCOME (CONTINUED)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
INTEREST CHARGES										
INTEREST ON LONG-TERM DEBT	$39,745,203	$40,682,364	$44,186,501	$49,072,593	$60,254,749	$75,982,643	$88,396,358	$91,897,630	$89,698,098	$90,564,116
AMORT. OF DEBT DISC. AND EXPENSE	486,070	544,452	523,085	507,589	781,690	1,133,562	1,140,067	952,114	1,301,007	1,358,636
AMORT. OF LOSS IN REACQUIRED DEBT	0	0	0	0	0	0	0	2,739	2,528	10,544
AMORT. OF PREMIUM ON DEBT-CREDIT	(50,963)	(50,471)	(50,682)	(49,122)	(49,159)	(46,206)	(34,065)	(34,229)	(34,304)	(33,165)
AMORT. OF GAIN ON REACQUIRED DEBT-CREDIT	0	0	0	0	0	0	0	0	0	(9,062)
INTEREST ON DEBT TO ASSOC. COMPANIES	0	27,652	186,484	830,155	1,123,242	1,049,752	331,062	398,516	168,418	167,213
OTHER INTEREST EXPENSE	(779,820)	(774,307)	(730,162)	(1,493,888)	305,106	(7,916,381)	3,700,733	2,272,854	3,519,923	3,242,879
ALLOW. FOR BORROWED FUNDS USED DURING CONSTN.	(39,996)	(51,079)	(117,185)	(367,278)	0	0	(19,801,846)	(12,130,429)	(13,111,307)	(7,949,018)
NET INTEREST CHARGES	39,360,494	40,378,611	43,998,041	48,500,049	62,415,628	70,203,370	73,732,309	83,359,195	81,544,363	87,352,163
INCOME BEFORE EXTRAORDINARY ITEMS	38,041,926	48,485,473	54,486,600	54,179,294	79,311,035	92,356,449	98,017,621	110,165,547	136,683,890	103,492,963
EXTRAORDINARY ITEMS										
NET EXTRAORDINARY ITEMS	0	0	0	0	0	0	0	0	0	(50,206,221)
LESS: INCOME TAXES - FEDERAL AND OTHER	0	0	0	0	0	0	0	0	0	(20,564,736)
EXTRAORDINARY ITEMS AFTER TAXES	0	0	0	0	0	0	0	0	0	(29,641,485)
NET INCOME	$38,041,926	$48,485,473	$54,486,600	$54,179,294	$79,311,035	$92,356,449	$98,017,621	$110,165,547	$136,683,890	$73,851,478

TOTAL: 5
AUGUST 31, 1987

TOTAL MAJOR GAS UTILITIES ** TOTAL COMPANY OPERATIONS **
STATEMENT OF UNAPPROPRIATED RETAINED EARNINGS, AND UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
STATEMENT OF UNAPPROPRIATED RET. EARNINGS										
BALANCE AT BEGINNING OF YEAR	$98,955,426	$102,784,625	$116,750,010	$129,514,949	$132,311,904	$150,136,795	$163,125,466	$173,182,186	$185,325,331	$208,362,543
CREDITS:										
BALANCE TRANSFERRED FROM INCOME	33,114,110	45,199,381	50,818,428	48,572,421	72,586,199	85,924,234	91,210,593	107,354,861	131,415,436	72,282,288
MISCELLANEOUS CREDITS	2,059,000	3,133,540	2,508,740	2,965,032	3,941,179	4,148,886	5,790,927	4,212,610	0	0
TOTAL CREDITS	35,173,110	48,332,921	53,327,168	51,537,453	76,527,378	90,073,120	97,001,520	111,567,471	131,415,436	72,282,288
DEBITS:										
APPROPRIATIONS OF RETAINED EARNINGS	0	0	0	0	0	0	0	0	0	0
DIVIDENDS DECLARED - COMMON STOCK	25,816,972	28,949,588	33,516,431	38,464,268	47,215,041	60,590,611	68,239,493	77,988,240	85,026,051	89,807,777
DIVIDENDS DECLARED - PREFERRED STOCK	2,816,641	4,862,415	6,035,490	9,545,090	11,483,074	16,475,748	17,736,415	21,426,971	23,011,408	23,240,735
MISCELLANEOUS DEBITS	0	555,533	54,481	731,140	4,372	18,090	13,065	9,115	689,843	14,522
TOTAL DEBITS	28,633,613	34,367,536	39,606,402	48,740,498	58,702,487	77,084,449	85,988,973	99,424,326	108,727,302	113,063,034
BALANCE AT END OF YEAR	$105,494,923	$116,750,010	$130,470,776	$132,311,904	$150,136,795	$163,125,466	$174,138,013	$185,325,331	$208,013,465	$167,581,797
UNAPPROPRIATED UNDISTRIBUTED SUBS. EARNINGS										
BALANCE AT BEGINNING OF YEAR	$4,311,100	$7,179,915	$7,874,507	$9,575,978	$12,759,858	$16,085,555	$18,911,022	$20,882,950	$19,481,026	$25,079,417
EQUITY IN EARNINGS FOR YEAR	4,927,815	3,286,092	3,668,171	5,606,872	6,724,836	6,432,215	6,807,028	2,810,686	5,268,453	1,569,189
DIVIDENDS RECEIVED	2,059,000	2,591,500	1,966,700	1,988,000	3,514,500	3,606,800	4,835,100	4,082,500	0	0
OTHER CHANGES	0	0	0	(434,992)	115,361	52	0	(130,110)	679,016	0
BALANCE AT END OF YEAR	$7,179,915	$7,874,507	$9,575,978	$12,759,858	$16,085,555	$18,911,022	$20,882,950	$19,481,026	$25,428,495	$26,648,606

TOTAL: 6TC
AUGUST 31, 1987

TOTAL MAJOR GAS UTILITIES ** TOTAL COMPANY OPERATIONS **
STATEMENT OF NET GAS OPERATING INCOME

STATEMENT OF NET GAS OPERATING INCOME	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES										
RESIDENTIAL SALES	$168,931,268	$183,178,506	$211,263,658	$254,648,424	$259,813,851	$322,134,535	$293,270,941	$332,701,468	$359,910,216	$298,211,071
COMMERCIAL SALES	105,475,233	140,662,844	169,459,624	216,212,073	225,583,730	281,828,129	264,048,325	297,519,425	317,031,425	247,959,648
INDUSTRIAL SALES	308,995,754	305,166,843	406,084,811	455,686,397	495,916,978	434,662,191	428,548,505	514,015,962	460,637,040	274,254,285
OTHER SALES	14,521,581	0	17,677,149	2,415,022	0	944,322	0	0	0	5,830,312
OTHER GAS REVENUES	4,418,389	6,183,258	5,901,630	7,507,018	4,820,981	12,132,472	8,613,091	7,026,091	12,430,594	35,052,125
TOTAL OPERATING REVENUES	602,342,225	635,191,451	810,386,872	936,468,934	986,135,540	1,051,701,649	994,480,862	1,151,262,946	1,150,009,275	861,307,441
OPERATING EXPENSES										
PRODUCTION:										
MANUFACTURED GAS	103,611	95,522	126,427	119,151	146,315	127,921	120,727	151,746	181,743	162,653
NATURAL GAS	436,913,816	459,062,649	602,018,796	718,094,334	740,438,611	777,246,144	704,528,272	807,434,244	773,821,718	509,153,502
UNDERGROUND STORAGE	469,935	429,273	474,990	672,178	549,425	577,379	557,598	799,532	651,546	589,899
OTHER STORAGE	433,708	297,793	558,589	674,987	685,766	673,581	833,408	803,166	756,316	782,762
TRANSMISSION	102,503	114,006	98,626	103,443	100,843	158,415	151,112	133,092	337,686	197,122
DISTRIBUTION	16,719,301	18,202,813	21,547,614	24,672,169	26,426,610	28,336,530	29,683,852	31,351,436	33,575,238	32,045,891
CUSTOMER ACCOUNTS	11,263,703	11,780,135	14,032,407	16,269,330	18,901,297	22,231,693	22,814,255	23,008,041	25,857,654	20,893,128
CUSTOMER SERVICE & INFORMATIONAL EXPENSES	0	391,173	548,947	1,611,637	1,859,266	3,044,380	5,132,065	3,837,066	4,476,081	8,060,161
SALES	3,232,378	3,800,208	5,251,493	6,305,329	6,580,009	7,244,624	7,498,109	9,131,529	10,883,267	8,415,329
ADMINISTRATIVE AND GENERAL	15,847,427	17,800,327	21,260,023	23,632,611	27,297,731	29,541,636	31,342,404	36,499,034	40,398,691	45,658,205
WEATHERIZATION	0	212,298	795,879	676,812	0	0	0	0	0	0
TOTAL OPERATION AND MAINT. EXPENSES	485,086,382	512,186,197	666,713,791	792,831,981	822,985,873	869,182,303	802,661,802	913,148,886	890,939,940	625,958,652
DEPRECIATION	18,639,384	20,916,504	22,026,484	23,819,311	26,049,173	28,641,824	31,728,700	34,085,336	37,484,780	40,299,847
AMORTIZATION	1,221,910	794,804	469,509	469,509	122,278	6,537	0	0	44,634	99,168
TAXES OTHER THAN INCOME TAXES	37,195,813	40,026,170	45,951,361	51,561,911	55,169,265	63,782,895	65,006,814	73,037,158	74,889,501	63,930,648
INCOME TAXES - FEDERAL	8,003,399	8,008,489	11,166,115	5,324,536	5,342,511	9,858,165	8,833,162	28,557,532	32,076,878	20,585,588
- OTHER	65,002	131,620	159,004	117,960	228,928	30,468	1,510,107	3,059,079	2,740,976	1,574,390
PROV. FOR DEFERRED INCOME TAXES	2,074,060	2,817,927	1,534,483	1,618,637	4,325,468	3,222,969	8,848,219	1,593,577	6,737,024	9,989,367
INCOME TAXES DEFERRED IN PRIOR YEARS (CR)	0	0	0	0	0	0	0	(58,903)	(67,557)	2,120,831
INVESTMENT TAX CREDIT ADJ. - NET	3,450,784	2,912,742	4,892,832	5,232,700	5,536,003	4,363,942	3,964,804	4,123,984	4,756,342	(1,072,806)
GAINS OR LOSSES FROM DISPOSITION OF UTILITY	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	555,736,734	587,794,453	752,913,579	880,976,545	919,759,499	979,089,103	922,553,608	1,057,546,649	1,049,588,083	763,485,685
NET GAS OPERATING INCOME	$46,605,491	$47,396,998	$57,473,293	$55,492,389	$66,376,041	$72,612,546	$71,927,254	$93,716,297	$100,421,192	$97,821,756
OPERATING GAS REVENUES BY PERCENT										
RESIDENTIAL SALES	28.05%	28.84%	26.07%	27.19%	26.35%	30.63%	29.49%	28.90%	31.30%	34.62%
COMMERCIAL SALES	17.51	22.14	20.91	23.09	22.88	26.80	26.55	25.84	27.57	28.79
INDUSTRIAL SALES	51.30	48.04	50.11	48.66	50.29	41.33	43.09	44.65	40.06	31.84
OTHER SALES	2.41	0.00	2.18	0.26	0.00	0.09	0.00	0.00	0.00	0.68
OTHER GAS REVENUES	0.73	0.97	0.73	0.80	0.49	1.15	0.87	0.61	1.08	4.07
TOTAL OPERATING GAS REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

TOTAL: 6ST
AUGUST 31, 1987

TOTAL MAJOR GAS UTILITIES ** WASHINGTON OPERATIONS ONLY **
STATEMENT OF NET GAS OPERATING INCOME

STATEMENT OF NET GAS OPERATING INCOME	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES										
RESIDENTIAL SALES	$103,675,016	$111,481,401	$128,476,433	$156,618,121	$160,942,444	$198,626,755	$177,670,985	$198,335,323	$216,257,138	$176,557,150
COMMERCIAL SALES	65,556,826	94,964,678	112,406,825	144,285,165	149,751,081	185,360,122	170,636,743	193,533,314	204,762,072	158,857,174
INDUSTRIAL SALES	186,017,905	166,150,102	231,386,096	260,740,342	296,696,457	253,154,836	258,463,260	317,141,898	289,316,378	173,755,703
OTHER SALES	9,405,507	0	13,355,994	1,594,189	0	784,555	0	0	0	0
OTHER GAS REVENUES	2,897,335	3,986,782	2,929,353	3,552,621	3,771,272	5,019,144	5,782,751	6,836,298	7,572,108	22,025,341
TOTAL OPERATING REVENUES	367,552,589	376,582,963	488,554,701	566,790,438	611,161,254	642,945,412	612,553,739	715,846,833	717,907,696	531,195,368
OPERATING EXPENSES										
PRODUCTION:										
MANUFACTURED GAS	53,437	53,223	66,302	53,299	84,592	60,900	59,256	86,584	124,881	100,473
NATURAL GAS	267,660,703	271,688,152	363,387,135	434,338,815	458,021,835	477,447,360	439,293,232	504,312,038	486,988,670	321,329,451
UNDERGROUND STORAGE	373,823	339,249	379,187	542,779	441,408	469,161	448,487	673,518	537,662	492,953
OTHER STORAGE	0	0	0	0	0	0	0	0	0	0
TRANSMISSION	46,391	46,307	43,603	57,624	40,339	87,005	67,913	71,394	277,653	130,325
DISTRIBUTION	9,344,472	10,171,080	12,186,391	14,448,154	14,736,702	15,900,186	16,628,992	17,639,815	19,353,395	18,620,124
CUSTOMER ACCOUNTS	5,906,314	6,151,555	7,236,939	8,377,384	9,596,832	11,080,380	11,724,300	11,313,135	12,701,306	12,585,731
CUSTOMER SERVICE & INFORMATIONAL EXPENSES	0	320,394	426,312	382,522	350,130	358,070	357,558	390,862	860,514	4,905,347
SALES	2,548,720	2,836,002	4,036,295	4,905,865	5,046,092	5,433,013	5,629,037	6,849,329	8,186,704	4,351,887
ADMINISTRATIVE AND GENERAL	10,063,433	11,131,520	13,019,249	13,939,850	16,216,645	17,279,131	18,896,004	22,136,993	24,354,197	26,339,326
WEATHERIZATION	0	0	0	0	0	0	0	0	0	45,031
TOTAL OPERATION AND MAINT. EXPENSES	295,997,293	302,737,482	400,781,413	477,046,292	504,534,575	528,115,206	493,104,779	563,473,668	553,384,982	388,900,648
DEPRECIATION	10,196,195	11,418,302	11,985,906	12,869,164	14,148,535	15,824,404	17,080,401	18,161,378	20,292,396	22,049,503
AMORTIZATION	63,427	48,149	57,872	53,705	17,130	0	0	0	0	0
TAXES OTHER THAN INCOME TAXES	27,488,137	29,511,536	34,196,052	39,212,480	42,101,505	49,104,389	49,802,236	57,129,191	57,628,930	47,255,489
INCOME TAXES - FEDERAL	4,486,698	2,533,133	4,924,590	1,717,510	2,758,533	4,449,321	929,249	16,415,788	21,333,625	12,626,838
- OTHER	0	0	0	0	0	0	0	0	0	0
PROV. FOR DEFERRED INCOME TAXES	2,074,060	2,817,927	1,534,483	1,618,637	4,246,496	2,953,868	6,311,709	2,366,389	3,594,609	4,288,590
INCOME TAXES DEFERRED IN PRIOR YEARS (CR)	0	0	0	0	0	0	0	(47,052)	(56,059)	(149,036)
INVESTMENT TAX CREDIT ADJ. - NET	1,318,000	1,511,118	2,779,697	2,809,069	2,805,632	2,257,569	2,102,201	2,045,684	2,232,593	(838,685)
GAINS OR LOSSES FROM DISPOSITION OF UTILITY	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	341,623,810	350,577,647	456,260,013	535,326,857	570,612,406	602,704,757	569,330,575	659,545,046	658,411,076	474,133,347
NET GAS OPERATING INCOME	$25,928,779	$26,005,316	$32,294,688	$31,463,581	$40,548,848	$40,240,655	$43,223,164	$56,301,787	$59,496,620	$57,062,021
OPERATING GAS REVENUES BY PERCENT										
RESIDENTIAL SALES	28.21%	29.60%	26.30%	27.63%	26.33%	30.89%	29.00%	27.71%	30.12%	33.24%
COMMERCIAL SALES	17.84	25.22	23.01	25.46	24.50	28.83	27.86	27.04	28.52	29.91
INDUSTRIAL SALES	50.61	44.12	47.36	46.00	48.55	39.37	42.19	44.30	40.30	32.71
OTHER SALES	2.56	0.00	2.73	0.28	0.00	0.12	0.00	0.00	0.00	0.00
OTHER GAS REVENUES	0.79	1.06	0.60	0.63	0.62	0.78	0.94	0.95	1.05	4.15
TOTAL OPERATING GAS REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

TOT: 7
AUGUST 15, 1987

TOTAL MAJOR UTILITIES ** TOTAL COMPANY OPERATIONS **
STATEMENT OF CHANGES IN FINANCIAL POSITION

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
SOURCES OF FUNDS										
NET INCOME	$38,583,966	$49,027,513	$55,028,640	$54,721,333	$79,853,075	$92,898,587	$98,017,621	$110,165,547	$136,683,890	$106,708,002
PRINCIPAL NON-CASH CHARGES (CREDITS) TO INCOME:										
DEPRECIATION & DEPLETION	27,558,442	30,733,478	32,934,244	35,406,292	38,555,200	42,353,249	46,310,036	56,108,341	62,237,907	69,233,753
AMORTIZATION	1,411,486	1,121,249	746,480	740,477	688,501	875,222	2,060,220	2,422,439	4,176,963	3,976,002
PROV. FOR DEF. OR FUTURE INCOME TAXES (NET)	1,154,264	3,634,896	1,669,147	2,028,153	6,273,851	8,881,149	25,402,053	14,863,916	21,819,064	30,909,717
INVESTMENT TAX CREDIT ADJUSTMENTS	5,786,863	6,329,695	4,003,701	1,202,542	(2,446,649)	(2,206,432)	(40,029,990)	(20,736,342)	17,298,350	5,758,055
OTHER (NET)	(5,572,738)	(5,522,409)	(2,016,524)	(3,213,492)	(3,517,208)	(7,387,972)	1,311,609	6,995,172	(106,536,007)	(23,058,568)
TOTAL FUNDS FROM OPERATIONS	68,922,283	85,324,422	92,365,688	90,885,305	119,406,770	135,413,803	133,071,549	169,819,073	135,680,166	129,982,175
FUNDS FROM OUTSIDE SOURCES (NEW MONEY):										
LONG-TERM DEBT	20,550,000	1,600,000	21,025,000	7,345,260	93,892,117	136,355,000	84,434,112	60,000,000	40,476,471	190,243,943
PREFERRED STOCK	36,135	36,000,000	0	46,093,000	20,167,636	25,000,000	0	79,700,000	45,000,000	20,000,000
COMMON STOCK	2,540,475	25,387,403	24,074,426	40,027,551	51,529,872	82,661,420	51,270,569	25,918,962	23,536,997	20,268,412
NET INCREASE IN SHORT-TERM DEBT	3,400,000	11,700,000	1,700,000	18,300,000	2,241,718	31,500,000	20,206,370	20,500,000	(11,000,000)	24,400,000
OTHER (NET)	64,360,230	45,876,393	71,137,485	90,920,982	13,858,461	(19,519,048)	10,203,844	11,974,404	5,800,474	84,689,135
TOTAL FUNDS FROM OUTSIDE SOURCES	90,886,840	120,563,796	117,936,911	202,686,793	181,689,804	255,997,372	166,114,895	198,093,366	103,813,940	339,601,490
SALE OF NON-CURRENT ASSETS	1,403,563	943,439	1,114,671	1,603,577	0	0	10,887,186	0	0	19,600,179
CONTRIBUTIONS FROM ASSOC. & SUBS. COMPANIES	0	8,355,746	283,317	10,713,954	9,412,432	1,877,995	2,682,769	4,920,977	5,618,810	1,628,962
OTHER (NET)	4,628,613	12,703,722	(8,269,627)	1,466,074	20,082,939	1,771,383	31,046,076	25,910,418	31,145,153	67,490,462
TOTAL SOURCES OF FUNDS	$165,841,299	$227,891,125	$203,430,960	$307,355,703	$330,591,945	$395,060,553	$343,802,475	$398,743,834	$276,258,069	$621,848,054
APPLICATION OF FUNDS										
CONSTRUCTION & PLANT EXPENDITURES (INCL.LAND):										
GROSS ADD. TO UTIL. PLANT (LESS NUCLEAR FUEL)	$81,413,486	$95,138,175	$109,767,995	$146,416,735	$202,795,946	$259,700,562	$226,643,596	$155,385,059	$185,374,724	$189,257,739
GROSS ADDITIONS TO NUCLEAR FUEL	0	0	0	0	0	0	1,008,132	361,895	399,557	(3,703,236)
GROSS ADDITIONS TO COMMON UTILITY PLANT	0	0	0	0	0	0	0	0	0	0
GROSS ADDITIONS TO NONUTILITY PLANT	0	(55,596)	670,697	2,396	0	0	0	104,731	87,091	1,016,480
OTHER	0	0	0	(9,075,044)	(15,220,880)	(22,549,973)	(39,506,273)	(30,091,125)	(35,114,379)	(27,682,869)
TOTAL APPLIC. TO CONST. & PLANT EXPEND.	81,413,486	95,082,579	110,438,692	137,344,087	187,575,066	237,150,589	188,145,455	125,760,560	150,746,993	158,888,114
DIVIDENDS ON PREFERRED STOCK	2,816,641	4,862,415	6,035,490	9,545,090	11,483,074	16,475,748	17,736,415	21,426,971	6,362,173	23,240,735
DIVIDENDS ON COMMON STOCK	25,816,972	28,949,588	33,516,431	38,464,268	47,215,041	60,590,611	68,239,494	77,988,240	32,169,005	89,807,778
FUNDS FOR RETIREMENT OF SEC. & SHORT TERM DEBT:										
LONG-TERM DEBT	7,654,000	17,032,500	11,470,650	14,521,760	36,835,684	12,554,955	22,474,386	85,652,558	42,484,473	121,655,403
PREFERRED STOCK	1,706,150	1,300,006	3,111,030	1,237,926	993,578	1,248,782	1,698,845	26,570,487	1,808,486	31,460,432
REDEMPTION OF CAPITAL STOCK	953,020	0	0	0	0	0	0	0	0	0
NET DECREASE IN SHORT-TERM DEBT	8,450,000	0	2,000,000	0	0	29,825,000	9,700,000	33,500,000	0	9,450,000
OTHER (NET)	22,509,996	57,000,000	15,109,764	82,283,971	105,417	122,081	122,162	194,354	159,306	79,541,191
PURCHASE OF OTHER NON-CURRENT ASSETS	411,568	423,321	1,271,901	2,577,434	4,362,239	0	(819,676)	243,746	590,036	0
INVEST. IN & ADVANCES TO ASSOC. & SUB. COM.	845,376	(4,347,134)	1,000,000	10,376,081	9,309,317	1,862,238	1,771,215	6,625,737	8,205,584	18,642,036
OTHER (NET)	13,264,090	27,587,850	19,477,002	11,005,086	32,712,529	35,230,549	34,734,179	20,781,181	33,732,013	89,162,368
TOTAL APPLICATION OF FUNDS	$165,841,299	$227,891,125	$203,430,960	$307,355,703	$330,591,945	$395,060,553	$343,802,475	$398,743,834	$276,258,069	$621,848,057

TOTAL: 8TC
AUGUST 31, 1987

TOTAL MAJOR GAS UTILITIES ** TOTAL COMPANY OPERATIONS **
PLANT, PRODUCTION AND SALES STATISTICS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS PLANT IN SERVICE AND HELD FOR FUTURE USE -- END OF YEAR										
INTANGIBLE PLANT	$569,427	$569,427	$569,427	$569,427	$569,427	$569,427	$569,427	$569,427	$569,427	$569,427
PRODUCTION AND STORAGE PLANT	44,426,009	43,810,463	47,392,640	49,103,594	52,478,116	53,797,023	54,489,907	55,544,791	47,957,679	47,958,732
TRANSMISSION AND DISTRIBUTION PLANT	575,437,242	595,666,752	656,436,787	709,017,486	762,045,995	808,788,841	855,849,832	913,591,582	972,125,752	1,045,031,282
GENERAL PLANT	43,255,406	46,038,286	50,126,359	54,804,737	64,101,472	68,704,470	71,333,659	77,379,101	89,402,224	85,952,619
TOTAL GAS PLANT IN SERVICE	663,688,084	686,084,928	754,525,213	813,495,244	879,195,010	931,859,761	982,242,825	1,047,084,901	1,110,055,082	1,179,512,060
PROPERTY HELD FOR FUTURE USE	398,403	0	399,306	399,306	206,838	206,838	206,838	206,838	206,838	206,838
LESS: ACCUM.PROV. FOR DEPR.& AMORT.- GAS	129,997,357	146,563,834	163,640,017	182,812,378	201,772,072	224,869,965	247,837,834	276,403,981	298,347,937	330,938,937
NET GAS PLANT	$534,089,130	$539,521,094	$591,284,502	$631,082,172	$677,629,776	$707,196,634	$734,611,829	$770,887,758	$795,569,917	$848,779,961
CONSTRUCTION WORK IN PROGRESS	$2,905,106	$5,089,987	$2,628,792	$8,118,712	$2,190,105	$3,302,405	$4,399,376	$4,072,901	$6,060,663	$8,665,979
ANNUAL GAS PURCH., PROD. & DISBURSED(THERMS)										
GAS PRODUCED	93,221	1,676	0	0	0	0	0	0	0	0
GAS PURCHASED	2,509,599,653	2,327,922,153	2,509,762,605	2,096,124,215	1,678,560,879	1,814,668,041	1,792,577,734	2,045,566,166	2,149,623,436	1,755,527,334
TOTAL GAS PRODUCED & PURCHASED	2,509,692,874	2,327,923,829	2,509,762,605	2,096,124,215	1,678,560,879	1,814,668,041	1,792,577,734	2,045,566,166	2,149,623,436	1,755,527,334
GAS TRANSPORTED OR COMPRESSED FOR OTHERS	0	0	0	0	0	846,205	1,726,573	1,405,038	38,962,052	78,819,840
GAS USED BY COMPANY	2,937,407	2,934,215	2,439,893	1,543,260	1,544,303	2,544,689	2,472,634	1,890,174	2,202,738	1,333,105
GAS SOLD	2,455,893,225	2,274,786,649	2,501,282,249	2,077,871,491	1,655,589,698	1,790,848,458	1,725,693,276	2,036,618,301	2,106,946,664	1,748,651,000
GAS UNACCOUNTED FOR	34,444,623	46,429,639	5,347,800	16,023,657	20,738,962	20,444,783	45,412,693	18,441,121	38,946,163	232,617
GAS DELIVERED TO (FROM) STORAGE	16,417,619	3,773,326	692,663	685,807	687,916	(16,094)	17,272,558	(12,788,468)	4,023,314	9,143,671
UNACCOUNTED FOR TO TOTAL PRODUCED & PURCHASED	1.37	1.99	0.21	0.76	1.24	1.13	2.53	0.90	1.81	0.01
% DEPR/AMORT EXP TO TOTAL GAS PLANT IN SERV.	2.99	3.16	2.98	2.99	2.98	3.07	3.23	3.26	3.38	3.43
% NET GAS UTILITY OPR. INC. TO NET GAS PLANT	8.73	8.79	9.72	8.79	9.80	10.27	9.79	12.16	12.62	11.52
TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	89,928,185	91,762,733	94,430,724	96,996,814	98,817,946	99,896,501	100,424,182	101,812,463	103,077,225	104,033,364
NO.OF METERS IN SERV.& HELD IN RESERVE (AVE.)	603,328	674,744	688,465	704,563	719,366	731,581	740,214	747,428	770,827	780,956
NUMBER OF CUSTOMERS - AVERAGE	596,506	596,629	610,077	629,584	644,624	649,787	654,098	665,395	686,727	703,481
AVERAGE B.T.U. CONTENT PER CU. FT.	1,048	1,049	1,047	1,053	1,055	1,052	1,045	1,043	1,037	1,025

TOTAL: 8ST
AUGUST 31, 1987

TOTAL MAJOR GAS UTILITIES ** WASHINGTON OPERATIONS ONLY **
PLANT, PRODUCTION AND SALES STATISTICS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS PLANT IN SERVICE AND HELD FOR FUTURE USE -- END OF YEAR										
INTANGIBLE PLANT	$304,757	$304,757	$304,757	$304,757	$304,757	$424,250	$424,463	$424,098	$423,809	$423,581
PRODUCTION AND STORAGE PLANT	17,753,318	16,858,225	18,806,368	19,188,965	19,720,189	21,447,091	21,355,078	22,477,614	22,117,897	26,252,267
TRANSMISSION AND DISTRIBUTION PLANT	334,063,877	338,034,308	375,414,471	400,484,593	427,917,303	459,254,938	486,503,759	514,197,801	551,134,817	593,908,575
GENERAL PLANT	20,716,063	21,116,217	22,818,365	24,414,243	31,221,311	35,637,646	39,741,902	43,154,361	51,063,570	49,143,836
TOTAL GAS PLANT IN SERVICE	372,838,015	376,313,507	417,343,961	444,392,558	479,163,560	516,763,925	548,025,202	580,253,874	624,740,093	669,728,259
PROPERTY HELD FOR FUTURE USE	0	0	0	0	0	0	0	0	0	0
LESS: ACCUM.PROV. FOR DEPR.& AMORT.- GAS	78,708,147	87,755,643	97,088,966	107,202,034	117,188,080	133,738,678	146,359,404	162,027,858	179,253,021	197,235,825
NET GAS PLANT	$294,129,868	$288,557,864	$320,254,995	$337,190,524	$361,975,480	$383,025,247	$401,665,798	$418,226,016	$445,487,072	$472,492,434
CONSTRUCTION WORK IN PROGRESS	$1,970,392	$4,752,174	$1,975,730	$7,175,629	$1,962,510	$3,053,443	$3,936,115	$3,660,851	$3,942,511	$7,173,925
ANNUAL GAS PURCH., PROD. & DISBURSED(THERMS)										
GAS PRODUCED	0	1,436	0	0	0	0	0	0	0	0
GAS PURCHASED	1,528,293,918	1,368,991,718	1,488,280,451	1,262,024,968	933,285,695	1,106,926,345	1,110,317,617	1,275,934,033	1,345,789,555	1,130,649,582
TOTAL GAS PRODUCED & PURCHASED	1,528,293,918	1,368,993,154	1,488,280,451	1,262,024,968	933,285,695	1,106,926,345	1,110,317,617	1,275,934,033	1,345,789,555	1,130,649,582
GAS TRANSPORTED OR COMPRESSED FOR OTHERS	0	0	0	0	0	846,205	1,726,573	1,405,038	5,373,006	25,302,049
GAS USED BY COMPANY	594,155	430,781	454,768	524,646	350,477	747,003	570,160	763,441	812,412	752,033
GAS SOLD	1,491,836,591	1,342,739,632	1,484,297,371	1,257,592,790	920,329,698	1,093,549,596	1,073,170,473	1,272,435,878	1,327,628,386	1,124,332,474
GAS UNACCOUNTED FOR	23,450,205	27,603,136	3,528,312	3,907,532	11,981,351	11,783,541	26,298,497	10,846,589	20,126,892	1,506,028
GAS DELIVERED TO (FROM) STORAGE	12,412,967	(1,780,395)	0	0	624,169	0	8,551,914	(9,516,913)	2,971,234	3,653,996
UNACCOUNTED FOR TO TOTAL PRODUCED & PURCHASED	1.53	2.02	0.24	0.31	1.28	1.06	2.37	0.85	1.50	0.13
% DEPR/AMORT EXP TO TOTAL GAS PLANT IN SERV.	2.75	3.05	2.89	2.91	2.96	3.06	3.12	3.13	3.25	3.29
% NET GAS UTILITY OPR. INC. TO NET GAS PLANT	8.82	9.01	10.08	9.33	11.20	10.51	10.76	13.46	13.36	12.08
TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	49,108,655	49,983,188	51,320,526	52,701,128	53,750,769	54,430,147	54,654,928	55,338,736	56,227,812	57,537,004
NO.OF METERS IN SERV.& HELD IN RESERVE (AVE.)	395,508	402,434	407,467	412,060	418,624	424,526	428,920	432,849	447,211	453,238
NUMBER OF CUSTOMERS - AVERAGE	349,542	354,741	361,423	371,467	377,904	379,753	381,759	389,384	399,384	407,857
AVERAGE B.T.U. CONTENT PER CU. FT.	1,048	1,049	1,047	1,053	1,055	1,052	1,045	1,043	1,037	1,025

TOTAL: 9TC
AUGUST 31, 1987

TOTAL MAJOR GAS UTILITIES ** TOTAL COMPANY OPERATIONS **
SALES STATISTICS FOR GAS OPERATIONS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS SERVICE REVENUES										
RESIDENTIAL SALES	$168,931,268	$183,178,506	$211,263,658	$254,648,424	$259,813,851	$322,134,535	$293,270,941	$332,701,468	$359,910,216	$298,211,071
COMMERCIAL SALES	105,475,233	140,662,845	169,459,624	216,212,073	225,583,730	281,828,129	264,048,320	297,519,425	317,031,425	247,959,648
INDUSTRIAL SALES	308,995,754	305,166,843	406,084,811	455,686,398	495,916,978	434,662,191	428,548,505	514,015,962	460,637,040	274,254,285
SALES FOR RESALE	14,521,581	0	17,677,149	2,415,022	0	944,322	0	0	0	0
TOTAL GAS SERVICE REVENUES	$597,923,836	$629,008,194	$804,485,242	$928,961,917	$981,314,559	$1,039,569,177	$985,867,766	$1,144,236,855	$1,137,578,681	$820,425,004
THERMS OF GAS SOLD										
RESIDENTIAL SALES	536,465,800	528,983,439	534,826,837	495,788,313	452,388,630	493,642,929	438,147,389	500,131,400	557,753,994	495,618,576
COMMERCIAL SALES	371,193,239	468,333,483	488,128,413	462,021,621	439,745,504	472,519,233	437,646,628	494,513,189	544,024,485	481,148,720
INDUSTRIAL SALES	1,505,868,056	1,277,554,879	1,419,477,931	1,113,058,122	1,131,131,116	822,892,654	849,961,442	1,042,040,755	1,005,237,345	771,942,423
SALES FOR RESALE	55,251,823	0	58,933,455	7,080,542	0	1,864,856	0	0	0	0
TOTAL THERMS OF GAS SOLD	2,468,778,918	2,274,871,801	2,501,366,636	2,077,948,598	2,023,265,250	1,790,919,672	1,725,755,459	2,036,685,344	2,107,015,824	1,748,709,719
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH										
RESIDENTIAL SALES	515,883	524,568	535,556	552,416	565,661	570,005	573,468	586,247	640,887	619,514
COMMERCIAL SALES	67,954	70,245	72,672	75,243	75,823	76,391	77,033	79,394	81,952	84,750
INDUSTRIAL SALES	2,669	1,816	1,848	1,925	3,140	3,479	3,597	3,649	3,888	3,953
SALES FOR RESALE	0	0	0	0	0	2	0	0	0	0
TOTAL GAS CUSTOMERS	586,506	596,629	610,076	629,584	644,624	649,877	654,098	669,290	726,727	708,217
AVE. GAS SERVICE REVENUE/THERM SOLD (CENTS)										
RESIDENTIAL SALES	31.49	34.63	39.50	51.36	57.43	65.26	66.93	66.52	64.53	60.17
COMMERCIAL SALES	28.42	30.03	34.72	46.80	51.30	59.64	60.33	60.16	58.28	51.53
INDUSTRIAL SALES	20.52	23.89	28.61	40.94	43.84	52.82	50.42	49.33	45.82	35.53
SALES FOR RESALE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	24.22	27.65	32.16	44.71	48.50	58.05	57.13	56.18	53.99	46.92
AVERAGE GAS SERVICE REVENUE PER CUSTOMER										
RESIDENTIAL SALES	$327	$349	$394	$461	$459	$565	$511	$568	$562	$481
COMMERCIAL SALES	1,552	2,002	2,332	2,874	2,975	3,689	3,428	3,747	3,869	2,926
INDUSTRIAL SALES	115,772	168,043	219,743	236,720	157,935	124,939	119,141	140,865	118,477	69,379
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	1,019	1,054	1,319	1,476	1,522	1,600	1,507	1,710	1,565	1,158
AVERAGE THERMS OF GAS SOLD PER CUSTOMER										
RESIDENTIAL SALES	1,040	1,008	999	897	800	866	764	853	870	800
COMMERCIAL SALES	5,462	6,667	6,717	6,140	5,800	6,186	5,681	6,229	6,638	5,677
INDUSTRIAL SALES	564,207	703,499	768,116	578,212	360,233	236,531	236,297	285,569	258,549	195,280
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	4,209	3,813	4,100	3,301	3,139	2,756	2,638	3,043	2,899	2,469

NOTE: One therm is equal to 100,000 B.T.U.

TOTAL: 9ST
AUGUST 31, 1987

TOTAL MAJOR GAS UTILITIES ** WASHINGTON OPERATIONS ONLY **
SALES STATISTICS FOR GAS OPERATIONS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
GAS SERVICE REVENUES										
RESIDENTIAL SALES	$103,675,016	$111,481,401	$128,476,433	$156,618,121	$160,942,444	$198,626,755	$177,670,985	$198,335,323	$216,257,138	$176,557,150
COMMERCIAL SALES	65,556,827	94,964,679	112,406,882	144,285,165	149,751,081	185,360,122	170,636,743	193,533,314	204,762,072	158,857,174
INDUSTRIAL SALES	186,017,905	166,150,102	231,386,096	260,740,343	296,696,457	253,154,836	258,463,260	317,141,898	289,316,378	173,755,703
SALES FOR RESALE	10,720,469	0	5,463,596	63,637	0	784,555	0	0	0	0
TOTAL GAS SERVICE REVENUES	$365,970,217	$372,596,182	$477,733,007	$561,707,266	$607,389,982	$637,926,268	$606,770,988	$709,010,535	$710,335,588	$509,170,027
THERMS OF GAS SOLD										
RESIDENTIAL SALES	336,412,666	330,974,186	330,948,809	310,221,789	280,012,127	304,899,132	269,761,724	303,642,571	341,784,089	306,551,201
COMMERCIAL SALES	232,500,209	323,912,956	329,894,431	313,481,963	292,688,489	312,295,543	290,944,436	328,970,587	359,182,942	319,005,268
INDUSTRIAL SALES	894,379,811	687,852,022	803,940,907	633,716,054	669,574,211	474,798,247	512,464,630	639,823,182	626,660,927	498,776,191
SALES FOR RESALE	41,429,598	0	19,512,844	173,399	0	1,556,875	0	0	0	0
TOTAL THERMS OF GAS SOLD	1,504,722,284	1,342,739,164	1,484,296,991	1,257,593,205	1,242,274,827	1,093,549,797	1,073,170,790	1,272,436,340	1,327,627,958	1,124,332,660
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH										
RESIDENTIAL SALES	307,514	312,421	318,473	325,861	331,975	333,456	335,080	341,914	350,064	361,686
COMMERCIAL SALES	40,058	41,573	42,753	43,872	43,388	43,466	43,737	44,866	46,109	47,658
INDUSTRIAL SALES	1,970	1,154	1,215	1,281	2,495	2,829	2,942	2,991	3,211	3,249
SALES FOR RESALE	0	0	0	0	0	2	0	0	0	0
TOTAL GAS CUSTOMERS	349,542	355,148	362,441	371,014	377,858	379,753	381,759	389,771	399,384	412,593
AVE. GAS SERVICE REVENUE/THERM SOLD (CENTS)										
RESIDENTIAL SALES	30.82	33.68	38.82	50.49	57.48	65.15	65.86	65.32	63.27	57.59
COMMERCIAL SALES	28.20	29.32	34.07	46.03	51.16	59.35	58.65	58.83	57.01	49.80
INDUSTRIAL SALES	20.80	24.15	28.78	41.14	44.31	53.32	50.44	49.57	46.17	34.84
SALES FOR RESALE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	24.32	27.75	32.19	44.67	48.89	58.34	56.54	55.72	53.50	45.29
AVERAGE GAS SERVICE REVENUE PER CUSTOMER										
RESIDENTIAL SALES	$337	$357	$403	$481	$485	$596	$530	$580	$618	$488
COMMERCIAL SALES	1,637	2,284	2,629	3,289	3,451	4,264	3,901	4,314	4,441	3,333
INDUSTRIAL SALES	94,425	143,978	190,441	203,544	118,916	89,486	87,853	106,032	90,102	53,480
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	1,047	1,049	1,318	1,514	1,607	1,680	1,589	1,819	1,779	1,234
AVERAGE THERMS OF GAS SOLD PER CUSTOMER										
RESIDENTIAL SALES	1,094	1,059	1,039	952	843	914	805	888	976	848
COMMERCIAL SALES	5,804	7,791	7,716	7,145	6,746	7,185	6,652	7,332	7,790	6,694
INDUSTRIAL SALES	454,000	596,059	661,680	494,704	268,366	167,833	174,189	213,916	195,161	153,517
SALES FOR RESALE	0	0	0	0	0	0	0	0	0	0
TOTAL	4,305	3,781	4,095	3,390	3,288	2,880	2,811	3,265	3,324	2,725

NOTE: One therm is equal to 100,000 B.T.U.